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House File 2194

H-8012

1 Amend House File 2194 as follows:

2 1. By striking everything after the enacting clause
3 and inserting:

4 <Section 1. Section 257.8, subsections 1 and 2,
5 Code 2014, are amended to read as follows:

6 1. *State percent of growth.* ~~The state percent of~~
7 ~~growth for the budget year beginning July 1, 2012,~~
8 ~~is two percent.~~ The state percent of growth for the
9 budget year beginning July 1, 2013, is two percent.
10 The state percent of growth for the budget year
11 beginning July 1, 2014, is four percent. The state
12 percent of growth for the budget year beginning July
13 1, 2015, is six percent. The state percent of growth
14 for each subsequent budget year shall be established
15 by statute which shall be enacted within thirty days
16 of the submission in the year preceding the base year
17 of the governor's budget under section 8.21. The
18 establishment of the state percent of growth for a
19 budget year shall be the only subject matter of the
20 bill which enacts the state percent of growth for a
21 budget year.

22 2. *Categorical state percent of growth.* ~~The~~
23 ~~categorical state percent of growth for the budget~~
24 ~~year beginning July 1, 2012, is two percent.~~ The
25 categorical state percent of growth for the budget
26 year beginning July 1, 2013, is two percent. The
27 categorical state percent of growth for the budget
28 year beginning July 1, 2014, is four percent. The
29 categorical state percent of growth for the budget
30 year beginning July 1, 2015, is six percent. The
31 categorical state percent of growth for each budget
32 year shall be established by statute which shall
33 be enacted within thirty days of the submission in
34 the year preceding the base year of the governor's
35 budget under section 8.21. The establishment of the
36 categorical state percent of growth for a budget year
37 shall be the only subject matter of the bill which
38 enacts the categorical state percent of growth for a
39 budget year. The categorical state percent of growth
40 may include state percents of growth for the teacher
41 salary supplement, the professional development
42 supplement, the early intervention supplement, and the
43 teacher leadership supplement.

44 Sec. 2. CODE SECTION 257.8 — IMPLEMENTATION. The
45 requirements of section 257.8, subsections 1 and
46 2, regarding the subject matter limitation of bills
47 establishing the state percent of growth and the
48 categorical state percent of growth do not apply to
49 this Act.

50 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being

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1 deemed of immediate importance, takes effect upon
2 enactment.>
3 2. Title page, by striking lines 1 through 3 and
4 inserting <An Act establishing the state percent of
5 growth and the categorical state percent of growth and
6 including effective date provisions.>

STECKMAN of Cerro Gordo

ABDUL-SAMAD of Polk

ANDERSON of Polk

BEARINGER of Fayette

BERRY of Black Hawk

COHOON of Des Moines

DUNKEL of Dubuque

FORBES of Polk

GAINES of Polk

GASKILL of Wapello

HALL of Woodbury



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HANSON of Jefferson

HEDDENS of Story

HUNTER of Polk

ISENHART of Dubuque

JACOBY of Johnson

KAJTAZOVIC of Black Hawk

KELLEY of Jasper

KRESSIG of Black Hawk

LENSING of Johnson

LUNDBY of Linn

LYKAM of Scott

MASCHER of Johnson

H. MILLER of Webster



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MUHLBAUER of Crawford

MURPHY of Dubuque

OLDSON of Polk

R. OLSON of Polk

T. OLSON of Linn

OURTH of Warren

PRICHARD of Floyd

RIDING of Polk

RUFF of Clayton

RUNNING-MARQUARDT of Linn

M. SMITH of Marshall

STAED of Linn

STUTSMAN of Johnson



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T. TAYLOR of Linn

THEDE of Scott

THOMAS of Clayton

WESSEL-KROESCHELL of Story

WINCKLER of Scott

WOOD of Scott



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House File 2210 - Introduced

HOUSE FILE 2210

BY H. MILLER, PRICHARD,
STUTSMAN, MURPHY, WOLFE,
ANDERSON, WOOD, RUFF,
MUHLBAUER, HALL, GRASSLEY,
THEDE, KEARNS, OURTH,
STECKMAN, HANSON, MASCHER,
GASKILL, KAJTAZOVIC,
ABDUL-SAMAD, COHOON,
LENSING, WINCKLER,
WESSEL-KROESCHELL, GAINES,
FORBES, OLDSON, RIDING,
JACOBY, DUNKEL, BERRY,
S. OLSON, HEIN, R. OLSON,
BAUDLER, DRAKE, ISENHART,
and COWNIE

A BILL FOR

1 An Act relating to the establishment of an urban-ag academy
2 under the board of regents.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5798HH (6) 85
jr/nh



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1 Section 1. NEW SECTION. 262.101 Agriculture and urban
2 economies — legislative intent.

3 The general assembly recognizes that state legislative
4 bodies in Iowa and across the country are becoming more
5 urban and inclusive of more minority groups, and many policy
6 discussions concern the differences between urban and rural
7 interests. Both rural and urban districts stand to reap
8 enormous benefits from increased understanding of the benefits
9 of agriculture for urban economies and the issues faced
10 by rural constituencies. Therefore, the general assembly
11 encourages the board of regents, through its three state
12 universities, to conduct a national urban-ag academy once a
13 year to give state legislators in Iowa and around the country
14 an opportunity to expand their knowledge of agricultural and
15 rural policy issues, so that, they too, may engage in effective
16 public policymaking.

17 Sec. 2. NEW SECTION. 262.102 National urban-ag academy.

18 1. To the extent practicable and contingent upon available
19 funding, the board of regents, through the institutions under
20 the board's control, may annually conduct a national urban-ag
21 academy to update, inform, and enhance the knowledge of
22 state legislative policymakers around the country regarding
23 agricultural issues and concerns.

24 2. The purpose of the academy is to create a forum for
25 interactive problem solving and the exchange of ideas related
26 to agriculture, animal production, energy, conservation,
27 agricultural education, and new technologies. The goal of
28 the academy shall be to bring urban, minority, and rural
29 legislators and other policymakers together with experts in
30 agriculture, rural development, and other relevant areas, to
31 create opportunities for all legislators to be fully informed
32 concerning issues and policy initiatives relating to the
33 agricultural sector.

34 EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

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jr/nh

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1 the explanation's substance by the members of the general assembly.

2 This bill encourages the board of regents to conduct an
3 annual urban-ag academy to provide opportunities for urban,
4 minority, and rural legislators and policymakers to meet with
5 experts in agriculture, rural development, and other similar
6 areas to create opportunities for legislators to be fully
7 informed concerning agricultural issues.

8 Establishment of the academy is contingent on available
9 funding.



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House File 2211 - Introduced

HOUSE FILE 2211
BY KAUFMANN

A BILL FOR

1 An Act establishing a medical student promise tax credit and
2 a medical student promise fund under the control of the
3 college student aid commission, and including effective date
4 and retroactive applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5464YH (3) 85
kh/sc



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1 Section 1. NEW SECTION. 261.61 Medical student promise tax
2 credit.

3 1. *Definitions.* For purposes of this section, unless the
4 context otherwise requires:

5 a. "*Commission*" means the college student aid commission.

6 b. "*Eligible degree*" means a master of physician assistant
7 studies or a doctor of medicine, pharmacy, dental surgery, or
8 osteopathy degree.

9 c. "*Eligible university*" means the state university of Iowa
10 college of medicine or Des Moines university – osteopathic
11 medical center.

12 d. "*Fund*" means the medical student promise fund.

13 e. "*Medical student*" means an individual who has entered
14 into a promise agreement and is enrolled full-time in an
15 eligible university in a curriculum leading to an eligible
16 degree.

17 f. "*Promise agreement*" means the agreement entered into in
18 subsection 3.

19 2. *Tax credit.*

20 a. A tax credit shall be allowed against the taxes imposed
21 in chapter 422, divisions II, III, and V, and in chapter 432,
22 and against the moneys and credits tax imposed in section
23 533.329, for a portion of the amount of the voluntary cash or
24 noncash contributions made by the taxpayer during the tax year
25 to the medical student promise fund.

26 b. An individual may claim a tax credit under this section
27 of a partnership, limited liability company, S corporation,
28 estate, or trust electing to have income taxed directly to
29 the individual. The amount claimed by the individual shall
30 be based upon the pro rata share of the individual's earnings
31 from the partnership, limited liability company, S corporation,
32 estate, or trust.

33 c. The amount of a tax credit allowed under this section
34 shall equal twenty-five percent of the amount of the taxpayer's
35 voluntary cash contributions made by the taxpayer during the

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1 tax year to the medical student promise fund.

2 *d.* (1) To receive a tax credit, a taxpayer must submit
3 an application to the commission. The commission shall issue
4 certificates under this section on a first-come, first-served
5 basis, which certificates may be redeemed for tax credits. In
6 allocating tax credits pursuant to this section, the commission
7 shall allocate one million dollars in aggregate for purposes
8 of this section, unless the commission determines that the tax
9 credits awarded will be less than that amount.

10 (2) If in a fiscal year the aggregate amount of tax credits
11 applied for exceeds the amount allocated for that fiscal year
12 under this paragraph "*d*", the commission shall establish a
13 wait list for certificates. Applications that were approved
14 but for which certificates were not issued shall be placed
15 on the wait list in the order the applications were received
16 by the commission and shall be given priority for receiving
17 certificates in succeeding fiscal years.

18 *e.* The commission shall, in cooperation with the
19 department of revenue, establish criteria and procedures
20 for the allocation and issuance of tax credits by means of
21 certificates issued by the commission. The criteria shall
22 include the contingencies that must be met for a certificate
23 to be redeemable in order to receive a tax credit. The
24 procedures established by the commission, in cooperation with
25 the department of revenue, shall relate to the procedures for
26 the issuance and transfer of the certificates and for the
27 redemption of a certificate and related tax credit.

28 *f.* A certificate and related tax credit issued pursuant to
29 this section shall be deemed a vested right of the original
30 holder or any transferee thereof, and the state shall not cause
31 either to be redeemed in such a way that amends or rescinds the
32 certificate or that curtails, limits, or withdraws the related
33 tax credit, except as otherwise provided in this section or
34 upon consent of the proper holder. A certificate issued
35 pursuant to this section cannot pledge the credit of the state



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1 and any such certificate so pledged to secure the debt of the
2 original holder or a transferee shall not constitute a contract
3 binding the state.

4 *g.* Any tax credit in excess of the taxpayer's liability
5 for the tax year may be credited to the tax liability for the
6 following five years or until depleted, whichever is earlier.
7 A tax credit shall not be carried back to a tax year prior to
8 the tax year in which the taxpayer claims the tax credit.

9 *h.* Tax credit certificates issued pursuant to this section
10 may be transferred, in whole or in part, to any person. A tax
11 credit certificate shall only be transferred once. Within
12 ninety days of transfer, the transferee shall submit the
13 transferred tax credit certificate to the department of revenue
14 along with a statement containing the transferee's name, tax
15 identification number, and address, the denomination that each
16 replacement tax credit certificate is to carry, and any other
17 information required by the department of revenue.

18 *i.* Within thirty days of receiving the transferred tax
19 credit certificate and the transferee's statement, the
20 department of revenue shall issue one or more replacement
21 tax credit certificates to the transferee. Each replacement
22 tax credit certificate must contain the information required
23 for the original tax credit certificate. A replacement tax
24 credit certificate may designate a different tax than the tax
25 designated on the original tax credit certificate. A tax
26 credit shall not be claimed by a transferee under this section
27 until a replacement tax credit certificate identifying the
28 transferee as the proper holder has been issued.

29 *j.* The transferee may use the amount of the tax credit
30 transferred against the taxes imposed in chapter 422, divisions
31 II, III, and V, and in chapter 432, and against the moneys and
32 credits tax imposed in section 533.329, for any tax year the
33 original transferor could have claimed the tax credit. Any
34 consideration received for the transfer of the tax credit shall
35 not be included as income under chapter 422, divisions II,



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1 III, and V. Any consideration paid for the transfer of the tax
2 credit shall not be deducted from income under chapter 422,
3 divisions II, III, and V.

4 3. *Promise agreement.* A promise agreement shall be entered
5 into by a medical student and the commission when the medical
6 student begins the curriculum leading to an eligible degree.
7 Under the promise agreement, a medical student shall agree to
8 and shall fulfill all of the following requirements:

9 a. If the medical student is enrolled in a curriculum
10 leading to a doctor of medicine, pharmacy, dental surgery, or
11 osteopathy degree, or master of physician assistant studies,
12 apply for, enter, and complete an Iowa-based residency program.

13 b. Apply for and obtain a license to practice as a physician
14 assistant pursuant to chapter 148C, a license to practice as a
15 physician and surgeon or an osteopathic physician and surgeon
16 licensed pursuant to chapter 148, or pharmacist pursuant to
17 chapter 155A, or a dentist licensed pursuant to chapter 153.

18 c. Within nine months of graduating from a residency
19 program, if applicable, and receiving a permanent license in
20 accordance with paragraph "b", reside in Iowa and engage in the
21 full-time practice in Iowa as a physician assistant, a dentist,
22 or a doctor of medicine and surgery or osteopathic medicine
23 and surgery or a pharmacist for a period of sixty consecutive
24 months.

25 4. *Postponement and satisfaction of service obligation.*

26 a. The obligation to engage in practice in accordance with
27 subsection 3 may be postponed for the following purposes:

28 (1) Active duty status in the armed forces, the armed forces
29 military reserve, or the national guard.

30 (2) Service in volunteers in service to America.

31 (3) Service in the federal peace corps.

32 (4) A period of service commitment to the United States
33 public health service commissioned corps.

34 (5) A period of religious missionary work conducted by an
35 organization exempt from federal income taxation pursuant to

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1 section 501(c)(3) of the Internal Revenue Code.

2 (6) Any period of temporary medical incapacity during which
3 the person obligated is unable, due to a medical condition, to
4 engage in full-time practice as required under subsection 3,
5 paragraph "c".

6 b. Except for a postponement under paragraph "a",
7 subparagraph (6), an obligation to engage in practice under
8 a promise agreement shall not be postponed for more than
9 two years from the time the full-time practice was to have
10 commenced under the promise agreement.

11 c. An obligation to engage in full-time practice under a
12 promise agreement shall be considered satisfied when any of the
13 following conditions are met:

14 (1) The terms of the promise agreement are completed.

15 (2) The person who entered into the promise agreement dies.

16 (3) The person who entered into the promise agreement is
17 unable, due to a permanent disability, to practice as provided
18 in the agreement.

19 d. If an individual fails to fulfill the obligation to
20 engage in practice in accordance with the promise agreement,
21 the individual shall be subject to repayment to the commission
22 of the amount paid by the commission to reduce the individual's
23 educational loan interest rate plus interest as specified by
24 rule.

25 5. *Fund created.*

26 a. A medical student promise fund is created as a
27 revolving fund in the state treasury under the control of the
28 commission. The fund shall consist of all moneys deposited
29 in the fund pursuant to this section, any funds received
30 from other sources, and interest and earnings thereon. The
31 commission is the trustee of the fund and shall administer
32 the fund. Any loss to the fund shall be charged against the
33 fund and the commission shall not be personally liable for
34 such loss. Moneys in the fund are not subject to section
35 8.33. Notwithstanding section 12C.7, subsection 2, interest or



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1 earnings on moneys in the fund shall be credited to the fund.

2 *b.* Moneys in the fund shall be used by the commission to
3 reduce the interest rate charged to a medical student for an
4 educational loan to a rate that is not more than one-half of
5 the interest rate currently charged for federal educational
6 loans under the federal Higher Education Act of 1965, as
7 amended and codified in 20 U.S.C. §1071 et seq.

8 6. *Information upon request.* An eligible university shall
9 collect and provide to the commission any information required
10 by the commission for the administration of this section in the
11 manner and form prescribed by the commission.

12 7. *Report.* On or before January 15 of each year, the
13 commission, in cooperation with the department of revenue,
14 shall submit to the general assembly and the governor a report
15 describing the activities of the medical student promise fund
16 during the preceding fiscal year. The report shall at a
17 minimum include the following information:

18 *a.* The amount of tax credit certificates issued to
19 individuals pursuant to this section.

20 *b.* The amount of approved tax credit applications that were
21 placed on the wait list for certificates.

22 *c.* The amount of tax credits claimed.

23 *d.* The amount of tax credits transferred to other persons.

24 *e.* The amount of the voluntary cash or noncash contributions
25 made by taxpayers during the tax year to the medical student
26 promise fund.

27 Sec. 2. NEW SECTION. 422.11C Medical student promise tax
28 credits.

29 The taxes imposed under this division, less the credits
30 allowed under section 422.12, shall be reduced by a medical
31 student promise tax credit allowed under section 261.61.

32 Sec. 3. Section 422.33, Code 2014, is amended by adding the
33 following new subsection:

34 NEW SUBSECTION. 22. The taxes imposed under this division
35 shall be reduced by a medical student promise tax credit

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1 allowed under section 261.61.

2 Sec. 4. Section 422.60, Code 2014, is amended by adding the
3 following new subsection:

4 NEW SUBSECTION. 12. The taxes imposed under this division
5 shall be reduced by a medical student promise tax credit
6 allowed under section 261.61.

7 Sec. 5. NEW SECTION. 432.12N Medical student promise tax
8 credit.

9 The taxes imposed under this chapter shall be reduced by
10 a medical student promise tax credit allowed under section
11 261.61.

12 Sec. 6. Section 533.329, subsection 2, Code 2014, is amended
13 by adding the following new paragraph:

14 NEW PARAGRAPH. k. The moneys and credits tax imposed under
15 this section shall be reduced by a medical student promise tax
16 credit allowed under section 261.61.

17 Sec. 7. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
18 immediate importance, takes effect upon enactment.

19 Sec. 8. RETROACTIVE APPLICABILITY. This Act applies
20 retroactively to January 1, 2014, for tax years beginning on
21 or after that date for purposes of the medical student promise
22 tax credit and for cash and noncash contributions made to
23 the medical student promise fund created pursuant to section
24 261.61, if enacted, made on or after that date.

25 EXPLANATION

26 The inclusion of this explanation does not constitute agreement with
27 the explanation's substance by the members of the general assembly.

28 This bill establishes a medical student promise tax credit
29 and a medical student promise fund under the control of the
30 college student aid commission for the purpose of providing
31 a means for reducing the interest rate charged to a medical
32 student for an educational loan to an amount of interest that
33 is not more than one-half of the interest rate currently
34 charged for federal educational loans.

35 TAX CREDIT. The tax credit is allowed against the personal

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1 and corporate income tax, franchise tax, insurance premium tax,
2 and the moneys and credits tax.

3 To receive a certificate which may be redeemed for a tax
4 credit, the taxpayer must submit an application to the college
5 student aid commission. The commission must issue certificates
6 on a first-come, first-served basis. In allocating tax
7 credits, the commission shall allocate \$1 million in the
8 aggregate for certificates for tax credits, unless the
9 commission determines that the tax credits awarded will be
10 less than that amount. If the amount of applications exceeds
11 the available tax credits in a fiscal year, the commission is
12 required to establish a wait list and give priority in later
13 years to applications on the wait list.

14 The taxpayer may transfer a tax credit once, and the bill
15 establishes procedures for transferring the credit to another
16 person. Within 90 days of transfer, the transferee must submit
17 the transferred tax credit certificate to the department of
18 revenue along with a statement containing information specified
19 in the bill. Within 30 days of receiving the transferred
20 tax credit certificate and the transferee's statement, the
21 department of revenue must issue one or more replacement tax
22 credit certificates to the transferee. A replacement tax
23 credit certificate may designate a different tax than the
24 tax designated on the original tax credit certificate. Any
25 consideration received for the transfer of the tax credit shall
26 not be included as income. Any consideration paid for the
27 transfer of the tax credit shall not be deducted from income.

28 The commission must, in cooperation with the department of
29 revenue, establish criteria and procedures for the allocation
30 and issuance of tax credits by means of certificates issued by
31 the commission. The criteria shall include the contingencies
32 that must be met for a certificate to be redeemable in order to
33 receive a tax credit.

34 Any tax credit in excess of the taxpayer's liability for the
35 tax year may be credited to the tax liability for the following

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1 five years or until depleted, whichever is earlier. A tax
2 credit shall not be carried back to a tax year prior to the tax
3 year in which the taxpayer claims the tax credit.

4 PROMISE AGREEMENT. To be eligible for the reduction in
5 the interest rate charged for an educational loan, a medical
6 student must enter into a promise agreement with the commission
7 and be enrolled full-time in an eligible university in a
8 curriculum leading to an eligible degree. "Eligible degree"
9 means a master of physician assistant studies or a doctor of
10 medicine, pharmacy, dental surgery, or osteopathy degree;
11 and "eligible university" means the state university of Iowa
12 college of medicine or Des Moines university - osteopathic
13 medical center.

14 Under the promise agreement, a medical student shall agree
15 to and shall fulfill certain requirements, including completing
16 a residency if applicable, applying for and obtaining a license
17 to practice, residing in Iowa, and engaging in full-time
18 practice in the state as a physician assistant, a dentist, or
19 a doctor of medicine and surgery or osteopathic medicine and
20 surgery, or pharmacist for a period of 60 consecutive months.

21 The bill provides for the postponement and satisfaction
22 of the obligation to practice full time in Iowa. Practice
23 may be postponed for certain purposes, such as active duty
24 status in the armed forces, the armed forces military reserve,
25 or the national guard; service in volunteers in service to
26 America; service in the federal peace corps; a period of
27 service commitment to the United States public health service
28 commissioned corps; a period of religious missionary work; or
29 any period of temporary medical incapacity during which the
30 person obligated is unable to engage in full-time practice.
31 However, except for medical incapacity, an obligation to engage
32 in practice shall not be postponed for more than two years from
33 the time the full-time practice was to have commenced under the
34 promise agreement.

35 The practice obligation shall be considered satisfied when

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1 the terms of the agreement are completed or the person dies or
2 is unable to practice due to a permanent disability.
3 If an individual's obligation is not postponed or satisfied,
4 and the person fails to fulfill the obligation to practice,
5 the individual is subject to repayment to the commission of
6 the amount paid by the commission to reduce the individual's
7 educational loan interest rate plus interest as specified by
8 rule.

9 MEDICAL STUDENT PROMISE FUND CREATED. A medical student
10 promise fund is created as a revolving fund in the state
11 treasury under the control of the commission and administered
12 by the commission. Moneys in the fund shall be used by the
13 commission to reduce the interest rate charged to a medical
14 student for an educational loan to a rate that is not more
15 than half of the interest rate currently charged for federal
16 educational loans. The fund shall consist of all moneys
17 deposited in the fund pursuant to this section, any funds
18 received from other sources, and interest and earnings thereon.
19 Any loss to the fund shall be charged against the fund and
20 the commission shall not be personally liable for such loss.
21 Moneys in the fund do not revert to the general fund of the
22 state and interest or earnings on moneys in the fund are to be
23 credited to the fund.

24 INFORMATION/REPORTS/REVIEW. On or before January 15 of each
25 year, the commission, in cooperation with the department of
26 revenue, must submit to the general assembly and the governor
27 a report describing the commission's activities relating to
28 the medical student promise fund during the preceding fiscal
29 year, including information regarding the applications placed
30 on the wait list, contributions made, certificates issued, and
31 tax credits claimed. An eligible university shall collect
32 and provide to the commission any information required by the
33 commission for administration of the fund.

34 EFFECTIVE DATE AND RETROACTIVE APPLICABILITY PROVISIONS.
35 The bill takes effect upon enactment and applies retroactively

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1 to January 1, 2014, for tax years beginning, and contributions
2 made to the fund, on or after that date.



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House File 2212 - Introduced

HOUSE FILE 2212
BY HANSON

A BILL FOR

1 An Act relating to used home appliance recycling and disposal.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5799YH (2) 85
tm/nh



Iowa General Assembly
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H.F. 2212

1 Section 1. NEW SECTION. 455D.17 Used home appliance
2 recycling and disposal.

3 1. For purposes of this section, "*home appliance*" means
4 a refrigerator, window air conditioning unit, humidifier, or
5 other similar appliance as defined by the commission by rule.

6 2. A county shall accept and collect used home appliances
7 for reuse, recycling, or proper disposal. The commission
8 shall adopt rules governing methods of disposal which shall
9 constitute proper disposal. A county may assess a fee for
10 providing services under this subsection.

11 3. This section shall not apply to a county when the
12 services described in subsection 2 are provided within the
13 county by another person or entity.

14 Sec. 2. IMPLEMENTATION OF ACT. The fees and funds generated
15 as a result of the enactment of this Act are intended to cover
16 the costs of any state mandate included in this Act and this
17 specification of state funding shall be deemed to meet all the
18 state funding-related requirements of section 25B.2, subsection
19 3, and no additional state funding shall be necessary for the
20 full implementation of this Act by, and enforcement of this Act
21 against, all affected political subdivisions.

22 EXPLANATION

23 The inclusion of this explanation does not constitute agreement with
24 the explanation's substance by the members of the general assembly.

25 This bill requires a county to accept and collect used home
26 appliances for reuse, recycling, or proper disposal. A county
27 may assess a fee for providing the service. A county is not
28 required to provide the service if another person or entity
29 provides such services within the county.

30 The bill provides that a "home appliance" is a refrigerator,
31 window air conditioning unit, humidifier, or other similar
32 appliance as defined by the environmental protection commission
33 by rule.

34 The bill may include a state mandate as defined in Code
35 section 25B.3. The bill provides that fees and funds generated

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1 as a result of the bill are intended to cover the costs of any
2 state mandate included in the bill. The inclusion of this
3 specification of state funding is intended to reinstate the
4 requirement of political subdivisions to comply with any state
5 mandates included in the bill.



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House File 2213 - Introduced

HOUSE FILE 2213
BY HANSON

A BILL FOR

1 An Act relating to the collection of used tires and including
2 fees.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5797YH (2) 85
tm/nh



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H.F. 2213

1 Section 1. NEW SECTION. 455D.11D Used tire collection —
2 fee.

3 1. A person offering for sale or selling a tire in this
4 state shall do one of the following when the tire sold replaces
5 a used tire:

6 a. Collect the used tire from the consumer.

7 b. Collect a fee of twenty-five dollars from the consumer
8 for each tire sold to the consumer.

9 2. A fee collected pursuant to subsection 1 shall be
10 remitted to the department for deposit in the waste tire
11 management fund created in section 455D.11C.

12 3. This section does not apply to the sale of a tire for a
13 new vehicle.

14 EXPLANATION

15 The inclusion of this explanation does not constitute agreement with
16 the explanation's substance by the members of the general assembly.

17 This bill relates to the collection of used tires.

18 The bill requires a person offering for sale or selling a
19 tire in this state, when the tire sold replaces a used tire,
20 to either collect the used tire from the consumer or collect a
21 fee of \$25 from the consumer for the tire sold to the consumer.
22 The bill requires the collected fees to be remitted to the
23 department of natural resources for deposit in the waste tire
24 management fund. The provisions of the bill do not apply to
25 the sale of a tire for a new vehicle.



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House File 2214 - Introduced

HOUSE FILE 2214
BY LONDON

A BILL FOR

1 An Act prohibiting gifts to elected officials upon or after
2 leaving office and making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5621YH (3) 85
ec/rj



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1 Section 1. NEW SECTION. **68B.9 Gifts or other benefits upon**
2 **or after leaving office — prohibition.**

3 A statewide elected official, a member of the general
4 assembly, or an elected local official shall not accept
5 or receive any gift or any impermissible benefit upon or
6 after leaving office that was approved or authorized by the
7 statewide elected official, member of the general assembly,
8 or local official prior to leaving office. For purposes of
9 this section, "*impermissible benefit*" means anything of value
10 in the nature of deferred compensation or a deferred benefit
11 for service while in office that is not otherwise provided to
12 employees within the jurisdiction of the governing body of the
13 elected official or member of the general assembly.

14 Sec. 2. Section 68B.34, Code 2013, is amended to read as
15 follows:

16 **68B.34 Additional penalty.**

17 In addition to any penalty contained in any other provision
18 of law, a person who knowingly and intentionally violates a
19 provision of sections 68B.2A through ~~68B.8~~ 68B.9, sections
20 68B.22 through 68B.24, or sections 68B.35 through 68B.38
21 is guilty of a serious misdemeanor and may be reprimanded,
22 suspended, or dismissed from the person's position or otherwise
23 sanctioned.

24 Sec. 3. Section 331.907, subsection 1, Code 2014, is amended
25 to read as follows:

26 1. The annual compensation of the auditor, treasurer,
27 recorder, sheriff, county attorney, and supervisors shall
28 be determined as provided in this section. The county
29 compensation board annually shall review the compensation
30 paid to comparable officers in other counties of this state,
31 other states, private enterprise, and the federal government.
32 In setting the salary of the county sheriff, the county
33 compensation board shall consider setting the sheriff's salary
34 so that it is comparable to salaries paid to professional
35 law enforcement administrators and command officers of the

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1 state patrol, the division of criminal investigation of the
2 department of public safety, and city police agencies in
3 this state. The county compensation board shall prepare a
4 compensation schedule for the elective county officers for the
5 succeeding fiscal year. The county compensation board shall
6 not make any recommendation concerning compensation or any
7 other benefit provided upon leaving office. A recommended
8 compensation schedule requires a majority vote of the
9 membership of the county compensation board.

10 EXPLANATION

11 The inclusion of this explanation does not constitute agreement with
12 the explanation's substance by the members of the general assembly.

13 This bill prohibits a statewide elected official,
14 legislator, or local elected official, from accepting or
15 receiving a gift or any impermissible benefit upon or after
16 leaving office that was approved or authorized by the official
17 or legislator prior to leaving office. The bill defines
18 impermissible benefit as anything of value in the nature of
19 deferred compensation or a deferred benefit for service while
20 in office that is not otherwise provided to other employees
21 of the applicable governing body. Code section 68B.2 defines
22 "gift" as a rendering of anything of value in return for which
23 legal consideration of equal or greater value is not given and
24 received.

25 Code section 68B.34, providing additional penalties under
26 the government ethics and lobbying Code chapter, is amended to
27 provide that a person who violates this new provision is guilty
28 of a serious misdemeanor.

29 Code section 331.907, concerning county compensation boards,
30 is amended to prohibit the board from making any recommendation
31 concerning compensation or other benefit provided to an
32 elective county officer upon leaving office.

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ec/rj

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House File 2215 - Introduced

HOUSE FILE 2215
BY PETTENGILL

A BILL FOR

1 An Act requiring the department of workforce development to
2 implement a notification feature in the Iowaworks system.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6063YH (1) 85
je/sc



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1 Section 1. Section 84A.5, subsection 1, Code 2014, is
2 amended by adding the following new paragraph:
3 NEW PARAGRAPH. c. As part of the department's integrated
4 workforce delivery efforts, the department shall implement
5 in the department's Iowaworks system a notification feature
6 whereby workers and businesses participating in the Iowaworks
7 system can determine what actions have been taken through the
8 Iowaworks system to meet their workforce-related needs and
9 goals.

10 EXPLANATION

11 The inclusion of this explanation does not constitute agreement with
12 the explanation's substance by the members of the general assembly.

13 This bill requires the department of workforce development,
14 as part of the department's integrated workforce delivery
15 efforts, to implement in the department's Iowaworks system
16 a notification feature whereby workers and businesses
17 participating in the system can determine what actions have
18 been taken through the system to meet their workforce-related
19 needs and goals. Iowaworks is a mechanism developed by
20 the department for the integration of the state's workforce
21 development system.



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House File 2216 - Introduced

HOUSE FILE 2216
BY COMMITTEE ON NATURAL
RESOURCES

(SUCCESSOR TO HSB 585)

A BILL FOR

1 An Act concerning the definition of off-road utility vehicle
2 for purposes of regulation by the department of natural
3 resources.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5295HV (1) 85
dea/nh



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H.F. 2216

1 Section 1. Section 321I.1, subsection 17, paragraph a, Code
2 2014, is amended to read as follows:

3 a. *"Off-road utility vehicle"* means a motorized vehicle with
4 not less than four and not more than eight nonhighway tires or
5 rubberized tracks ~~that is limited in engine displacement to~~
6 ~~less than one thousand five hundred cubic centimeters and in~~
7 ~~total dry weight to not more than two thousand pounds and that~~
8 has a seat that is of bucket or bench design, not intended to
9 be straddled by the operator, and a steering wheel or control
10 levers for control. *"Off-road utility vehicle"* includes the
11 following vehicles:

12 (1) *"Off-road utility vehicle — type 1"* means an off-road
13 utility vehicle with a total dry weight of one thousand two
14 hundred pounds or less and a width of fifty inches or less.

15 (2) *"Off-road utility vehicle — type 2"* means an off-road
16 utility vehicle, other than a type 1 off-road utility vehicle,
17 with a total dry weight of two thousand pounds or less, and a
18 width of sixty-five inches or less.

19 (3) *"Off-road utility vehicle — type 3"* means an off-road
20 utility vehicle with a total dry weight of more than two
21 thousand pounds or a width of more than sixty-five inches, or
22 both.

23 EXPLANATION

24 The inclusion of this explanation does not constitute agreement with
25 the explanation's substance by the members of the general assembly.

26 This bill revises the definition of "off-road utility
27 vehicle" in Code chapter 321I, which provides for the
28 registration and regulation of all-terrain and off-road utility
29 vehicles by the department of natural resources and authorizes
30 and limits the use of those vehicles on designated riding
31 areas and trails. "Off-road utility vehicle" is defined as a
32 motorized vehicle with not less than four and not more than
33 eight nonhighway tires or rubberized tracks, a bucket or bench
34 seat, and a steering wheel or control levers. The current
35 definition of "off-road utility vehicle" includes vehicles with

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1 an engine displacement of less than 1,500 cubic centimeters and
2 a total dry weight of less than 2,000 pounds. The bill strikes
3 the limitation on engine size and establishes three off-road
4 utility vehicle classifications based on weight and width as
5 follows:

6 "Off-road utility vehicle — type 1" includes vehicles with
7 a total dry weight of 1,200 pounds or less and a width of 50
8 inches or less.

9 "Off-road utility vehicle — type 2" includes vehicles,
10 other than type 1 vehicles, with a total dry weight of 2,000
11 pounds or less and a width of 65 inches or less.

12 "Off-road utility vehicle — type 3" includes vehicles with
13 a total dry weight of more than 2,000 pounds or a width of more
14 than 65 inches, or both.



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House File 2217 - Introduced

HOUSE FILE 2217
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 536)

A BILL FOR

1 An Act relating to the regulation of insurance company holding
2 systems and providing assessments and penalties.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5210HV (1) 85
av/nh



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1 Section 1. Section 521A.1, subsection 3, Code 2014, is
2 amended to read as follows:
3 3. "Control", including controlling, controlled by, and
4 under common control with, shall mean the possession, direct
5 or indirect, of the power to direct or cause the direction
6 of the management and policies of a person, whether through
7 the ownership of voting securities, by contract other than
8 a commercial contract for goods or nonmanagement services,
9 or otherwise, unless the power is solely the result of an
10 official position with or a corporate office held by the
11 person. Control shall be presumed to exist if any person,
12 directly or indirectly, owns, controls, holds with the power
13 to vote, or holds proxies representing, ten percent or more of
14 the voting securities of any other person. This presumption
15 may be rebutted by a showing made in the manner provided in
16 section 521A.3, subsections 1 through 5, inclusive, or section
17 521A.4, subsection 11, whichever is applicable, that control
18 does not exist in fact. The commissioner may determine, after
19 furnishing all persons in interest notice and opportunity to
20 be heard and making specific findings of fact to support the
21 determination, that control exists in fact, notwithstanding the
22 absence of a presumption to that effect.
23 Sec. 2. Section 521A.1, Code 2014, is amended by adding the
24 following new subsections:
25 NEW SUBSECTION. 4A. "Enterprise risk" means any activity,
26 circumstance, event, or series of events involving one or more
27 affiliates of an insurer that, if not remedied promptly, is
28 likely to have a material adverse effect upon the financial
29 condition or liquidity of the insurer or its insurance holding
30 company system as a whole, including but not limited to
31 anything that would cause the insurer's risk-based capital to
32 fall into a company-action-level event as set forth in section
33 521E.3 for insurers or section 521F.4 for health organizations,
34 or would cause the insurer to be in hazardous financial
35 condition pursuant to 191 IAC ch 110.

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1 NEW SUBSECTION. 9A. "*Supervisory college*" means a temporary
2 or permanent forum for communication and cooperation between
3 regulators charged with supervision of an insurer or its
4 affiliates.

5 Sec. 3. Section 521A.3, subsection 1, paragraph a, Code
6 2014, is amended to read as follows:

7 a. No person other than the issuer shall make a tender offer
8 for or a request or invitation for tenders of, or enter into
9 any agreement to exchange securities for, seek to acquire, or
10 acquire, in the open market or otherwise, any voting security
11 of a domestic insurer if, after the consummation thereof,
12 such person would, directly or indirectly, or by conversion
13 or by exercise of any right to acquire, be in control of such
14 insurer, and no person shall enter into an agreement to merge
15 with or otherwise to acquire control of a domestic insurer
16 unless, at the time any such offer, request, or invitation is
17 first made or any such agreement is entered into, or prior to
18 the acquisition of such securities if no offer or agreement is
19 involved, such person has first filed with the commissioner
20 and has sent to such insurer, ~~and such insurer has sent to its~~
21 ~~shareholders,~~ a statement containing the information required
22 by this section and such offer, request, invitation, agreement
23 or acquisition has been approved by the commissioner in the
24 manner hereinafter prescribed.

25 Sec. 4. Section 521A.3, subsection 1, Code 2014, is amended
26 by adding the following new paragraph:

27 NEW PARAGRAPH. 0b. For purposes of this section, any
28 controlling person of a domestic insurer seeking to divest its
29 controlling interest in the domestic insurer, in any manner,
30 shall file with the commissioner, with a copy to the insurer,
31 confidential notice of its proposed divestiture at least thirty
32 days prior to the cessation of control. The commissioner
33 shall determine those instances in which the party seeking to
34 divest or to acquire a controlling interest in an insurer,
35 shall be required to file for and obtain approval of the

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1 transaction. The information shall remain confidential until
2 the conclusion of the transaction unless the commissioner, in
3 the commissioner's discretion, determines that confidential
4 treatment will interfere with enforcement of this section. If
5 the statement referred to in paragraph "a" is otherwise filed,
6 this paragraph "ob" shall not apply.

7 Sec. 5. Section 521A.3, subsection 2, paragraph a,
8 unnumbered paragraph 1, Code 2014, is amended to read as
9 follows:

10 The statement to be filed with the commissioner hereunder
11 shall be made under oath or affirmation and shall contain the
12 following information:

13 Sec. 6. Section 521A.3, subsection 2, paragraph a, Code
14 2014, is amended by adding the following new subparagraphs:

15 NEW SUBPARAGRAPH. (012) An agreement by the person required
16 to file the statement referred to in subsection 1 that the
17 person will provide the annual report specified in section
18 521A.4, subsection 11A for so long as control exists.

19 NEW SUBPARAGRAPH. (0012) An acknowledgment by the person
20 required to file the statement referred to in subsection 1
21 that the person and all subsidiaries within its control in
22 the insurance holding company system will provide information
23 to the commissioner upon request as necessary to evaluate
24 enterprise risk to the insurer.

25 Sec. 7. Section 521A.3, subsection 4, paragraph a, Code
26 2014, is amended by adding the following new subparagraph:

27 NEW SUBPARAGRAPH. (6) The merger or other acquisition of
28 control is not likely to be hazardous or prejudicial to the
29 insurance-buying public.

30 Sec. 8. Section 521A.3, subsection 4, paragraph b, Code
31 2014, is amended to read as follows:

32 *b.* The public hearing referred to in paragraph "a" shall be
33 held within thirty days after the commissioner has determined
34 that the statement required by subsection 1 is filed has
35 been completed and contains all the required information set

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1 forth in subsection 2, and at least twenty days' notice of
2 the public hearing shall be given by the commissioner to the
3 person filing the statement and to the domestic insurer. Not
4 less than seven days' notice of the public hearing shall be
5 given by the person filing the statement to the insurer and to
6 such other persons as may be designated by the commissioner.
7 The commissioner shall make a determination within thirty
8 days after the conclusion of the hearing. At the hearing,
9 the person filing the statement, the insurer, any person to
10 whom notice of hearing was sent, and any other person whose
11 interests may be affected shall have the right to present
12 evidence, examine and cross-examine witnesses, and offer oral
13 and written arguments and in connection therewith shall be
14 entitled to conduct discovery proceedings in the same manner as
15 is presently allowed in the district court of this state. All
16 discovery proceedings shall be concluded not later than three
17 days prior to the commencement of the public hearing.

18 Sec. 9. Section 521A.3, subsection 4, Code 2014, is amended
19 by adding the following new paragraph:

20 NEW PARAGRAPH. *0c.* If the proposed merger or other
21 acquisition of control will require the approval of more than
22 one commissioner, the public hearing referred to in paragraph
23 "a" may be held on a consolidated basis upon request of the
24 person filing the statement referred to in subsection 1.
25 Such person may file the statement referred to in subsection
26 1 with the national association of insurance commissioners
27 within five days of making the request for a public hearing.
28 The commissioner may opt out of a consolidated hearing, and
29 shall provide notice to the applicant of the opt-out within
30 ten days of the receipt of the statement referred to in
31 subsection 1. A hearing conducted on a consolidated basis
32 shall be public and shall be held within the United States
33 before the commissioners of the states in which the insurers
34 are domiciled. Such commissioners shall hear and receive
35 evidence. The commissioner may attend such hearing in person

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1 or by telecommunication.

2 Sec. 10. Section 521A.4, subsection 2, Code 2014, is amended
3 by adding the following new paragraphs:

4 NEW PARAGRAPH. *0e.* If requested by the commissioner, the
5 insurer shall include financial statements of or within an
6 insurance holding company system, including all affiliates.
7 Financial statements may include but are not limited to annual
8 audited financial statements filed with the United States
9 securities and exchange commission pursuant to the federal
10 Securities Act of 1933, as amended, or the federal Securities
11 Exchange Act of 1934, as amended. An insurer required to file
12 financial statements pursuant to this paragraph may satisfy the
13 request by providing the commissioner with the most recently
14 filed financial statements of the parent corporation that have
15 been filed with the United States securities and exchange
16 commission.

17 NEW PARAGRAPH. *00e.* Statements that the insurer's board of
18 directors oversees corporate governance and internal controls
19 and that the insurer's officers or senior management have
20 approved, implemented, and continue to maintain and monitor
21 corporate governance and internal control procedures.

22 NEW PARAGRAPH. *f.* Any other information required by the
23 commissioner by rule or by regulation.

24 Sec. 11. Section 521A.4, subsection 11, Code 2014, is
25 amended to read as follows:

26 11. *Disclaimer.* Any person may file with the commissioner
27 a disclaimer of affiliation with any authorized insurer or such
28 a disclaimer may be filed by such insurer or any member of an
29 insurance holding company system. The disclaimer shall fully
30 disclose all material relationships and basis for affiliation
31 between such person and such insurer as well as the basis for
32 disclaiming such affiliation. ~~After a disclaimer has been~~
33 ~~filed, the insurer shall be relieved of any duty to register or~~
34 ~~report under this section which may arise out of the insurer's~~
35 ~~relationship with such person unless and until the commissioner~~

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1 ~~disallows such a disclaimer. The commissioner shall disallow~~
2 ~~such a disclaimer only after furnishing all parties in interest~~
3 ~~with notice and opportunity to be heard and after making~~
4 ~~specific findings of fact to support such disallowance. A~~
5 disclaimer of affiliation shall be deemed to have been granted
6 unless the commissioner, within thirty days following receipt
7 of a complete disclaimer, notifies the filing party that the
8 disclaimer is disallowed. In the event of disallowance, the
9 disclaiming party may request an administrative hearing, which
10 shall be granted. The disclaiming party shall be relieved of
11 its duty to register under this section if approval of the
12 disclaimer has been granted by the commissioner, or if the
13 disclaimer is deemed to have been granted.

14 Sec. 12. Section 521A.4, Code 2014, is amended by adding the
15 following new subsection:

16 NEW SUBSECTION. 11A. *Enterprise risk report.* The ultimate
17 controlling person of every insurer subject to registration
18 shall also file an annual enterprise risk report. The report
19 shall, to the best of the ultimate controlling person's
20 knowledge and belief, identify the material risks within the
21 insurance holding company system that could pose enterprise
22 risk to the insurer. The report shall be filed with the lead
23 state commissioner of the insurance holding company system as
24 determined by the procedures within the financial analysis
25 handbook adopted by the national association of insurance
26 commissioners.

27 Sec. 13. Section 521A.4, subsection 12, Code 2014, is
28 amended to read as follows:

29 12. *Violations.* The failure to file a registration
30 statement or a summary of the registration statement or an
31 enterprise risk report required by this section within the time
32 specified for the filing is a violation of this section.

33 Sec. 14. Section 521A.5, subsection 1, paragraph a, Code
34 2014, is amended by adding the following new subparagraph:

35 NEW SUBPARAGRAPH. (02) Agreements for cost-sharing

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1 services and management shall include such provisions as
2 required by rule issued by the commissioner.

3 Sec. 15. Section 521A.5, subsection 1, paragraph b,
4 subparagraph (5), Code 2014, is amended by striking the
5 subparagraph.

6 Sec. 16. Section 521A.5, subsection 1, paragraph c, Code
7 2014, is amended to read as follows:

8 c. A domestic insurer and a person in its holding company
9 system shall not enter into any of the following transactions,
10 unless the domestic insurer notifies the commissioner in
11 writing of its intention to enter into the transaction at least
12 thirty days prior to entering into the transaction or within a
13 shorter time permitted by the commissioner and the commissioner
14 has not disapproved of the transaction within the time period:

15 (1) All reinsurance pooling agreements.

16 ~~{1}~~ (2) All reinsurance agreements or modifications to such
17 agreements in which the reinsurance premium or a change in the
18 insurer's liabilities, or the projected reinsurance premium
19 or a change in the insurer's liabilities in any of the next
20 three years, equals or exceeds five percent of the insurer's
21 surplus as regards policyholders, as of the next preceding
22 December 31, including those agreements which may require as
23 consideration the transfer of assets from an insurer to a
24 nonaffiliate, if an agreement or understanding exists between
25 the insurer and nonaffiliate that any portion of such assets
26 will be transferred to one or more affiliates of the insurer.

27 ~~{2}~~ (3) All management agreements, service contracts,
28 and all other cost-sharing arrangements involving at least
29 one-half of one percent of the insurer's surplus as of the
30 next preceding December 31. A guarantee which is quantifiable
31 as to amount is not subject to the notice requirements of
32 this paragraph "c" unless it exceeds the lesser of one-half
33 of one percent of the insurer's admitted assets or ten
34 percent of surplus as regards policyholders as of the next
35 preceding December 31. Further, all guarantees which are

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1 not quantifiable as to amount are subject to the notice
2 requirements of this paragraph "c".

3 (4) Direct or indirect acquisitions or investments in a
4 person that controls the insurer or in an affiliate of the
5 insurer in an amount which, together with its present holdings
6 in such investments, exceeds two and one-half percent of
7 the insurer's surplus to policyholders. Direct or indirect
8 acquisitions or investments in subsidiaries acquired pursuant
9 to section 521A.2 or authorized under any other section of this
10 chapter, or in nonsubsidiary insurance affiliates that are
11 subject to the provisions of this chapter, are exempt from this
12 subparagraph.

13 ~~(3)~~ (5) Any material transactions specified by rule which
14 the commissioner determines may adversely affect the interests
15 of the domestic insurer's policyholders.

16 Sec. 17. Section 521A.5, Code 2014, is amended by adding the
17 following new subsection:

18 NEW SUBSECTION. 4. Management of domestic insurers subject
19 to registration.

20 *a.* Notwithstanding the control of a domestic insurer by any
21 person, the officers and directors of the insurer shall not
22 thereby be relieved of any obligation or liability to which
23 they would otherwise be subject by law, and the insurer shall
24 be managed so as to assure its separate operating identity
25 consistent with this chapter.

26 *b.* Nothing in this section shall preclude a domestic insurer
27 from having or sharing a common management, or cooperative or
28 joint use of personnel, property, or services with one or more
29 other persons under arrangements meeting the standards of this
30 section.

31 *c.* Not less than one-third of the directors of a domestic
32 insurer, and not less than one-third of the members of each
33 committee of the board of directors of any domestic insurer,
34 shall be persons who are not officers or employees of the
35 insurer or of any entity controlling, controlled by, or under



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1 common control with the insurer and who are not beneficial
2 owners of a controlling interest in the voting stock of the
3 insurer or entity. At least one such person must be included
4 in any quorum for the transaction of business at any meeting
5 of the board of directors or any committee of the board of
6 directors.

7 *d.* The board of directors of a domestic insurer shall
8 establish one or more committees comprised solely of directors
9 who are not officers or employees of the insurer or of any
10 entity controlling, controlled by, or under common control with
11 the insurer and who are not beneficial owners of a controlling
12 interest in the voting stock of the insurer or any such entity.
13 The committee or committees shall have responsibility for
14 recommending or nominating candidates for director for election
15 by shareholders or policyholders, evaluating the performance
16 of officers deemed to be principal officers of the insurer,
17 and recommending to the board of directors the selection and
18 compensation of the principal officers.

19 *e.* The provisions of paragraphs "c" and "d" shall not apply
20 to a domestic insurer if the person controlling the insurer,
21 such as an insurer, a mutual insurance holding company, or
22 a publicly held corporation, has a board of directors and
23 committees of the board of directors that meet the requirements
24 of paragraphs "c" and "d" with respect to such controlling
25 entity.

26 *f.* An insurer may make application to the commissioner
27 for a waiver from the requirements of this subsection if
28 the insurer's annual direct written and assumed premium,
29 excluding premiums reinsured with the federal crop insurance
30 corporation and federal flood program, is less than three
31 hundred million dollars. An insurer may also make application
32 to the commissioner for a waiver from the requirements of this
33 subsection based upon unique circumstances. The commissioner
34 may consider various factors including but not limited to
35 the type of business entity, volume of business written,

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1 availability of qualified board members, or the ownership or
2 organizational structure of the entity.

3 Sec. 18. Section 521A.6, Code 2014, is amended to read as
4 follows:

5 **521A.6 Examination.**

6 1. *Power of commissioner.* Subject to the limitation
7 contained in this section and in addition to the powers
8 which the commissioner has under chapter 507 relating to the
9 examination of insurers, the commissioner ~~may also order an~~
10 ~~insurer registered under section 521A.4 to produce records,~~
11 ~~books, or other information papers in the possession of the~~
12 ~~insurer or its affiliates as reasonably necessary to ascertain~~
13 ~~the financial condition of the insurer or to determine~~
14 ~~compliance with this chapter. If the insurer fails to comply~~
15 ~~with the order, the commissioner may examine the affiliates~~
16 ~~to obtain the information~~ shall have the power to examine any
17 insurer registered under section 521A.4 and its affiliates to
18 ascertain the financial condition of the insurer, including
19 the enterprise risk to the insurer by the ultimate controlling
20 party, or by any entity or combination of entities within the
21 insurance holding company system, or by the insurance holding
22 company system on a consolidated basis.

23 2. Access to books and records — penalty.

24 a. The commissioner may order an insurer registered under
25 section 521A.4 to produce records, books, or other information
26 papers in the possession of the insurer or its affiliates as
27 reasonably necessary or to determine compliance with this
28 chapter.

29 b. To determine compliance with this chapter, the
30 commissioner may order any insurer registered under section
31 521A.4 to produce information not in the possession of the
32 insurer if the insurer can obtain access to such information
33 pursuant to a contractual relationship, statutory obligation,
34 or other method. In the event the insurer cannot obtain the
35 information requested by the commissioner, the insurer shall

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1 provide the commissioner a detailed explanation of the reason
2 that the insurer cannot obtain the information and the identity
3 of the holder of the information. Whenever it appears to the
4 commissioner that the detailed explanation is without merit,
5 the commissioner may require, after notice and hearing, the
6 insurer to pay a penalty of five hundred dollars for each day's
7 delay, or may suspend or revoke the insurer's certificate of
8 authority.

9 3. *Compelling production.* In the event the insurer fails
10 to comply with an order, the commissioner shall have the power
11 to examine the affiliates to obtain the information. The
12 commissioner shall also have the power to issue subpoenas, to
13 administer oaths, and to examine under oath any person for
14 purposes of determining compliance with this section. Upon
15 the failure or refusal of any person to obey a subpoena, the
16 commissioner may petition a court of competent jurisdiction,
17 and upon proper showing, the court may enter an order
18 compelling the witness to appear and testify or produce
19 documentary evidence. Failure to obey the court order shall
20 be punishable as contempt of court. Every person shall be
21 obliged to attend as a witness at the place specified in the
22 subpoena, when subpoenaed, anywhere within the state. Such
23 a person shall be entitled to the same fees and mileage, if
24 claimed, as a witness in district court, which fees, mileage,
25 and actual expense, if any, necessarily incurred in securing
26 the attendance of witnesses, and their testimony, shall be
27 itemized and charged against, and be paid by, the company being
28 examined.

29 2- 4. *Use of consultants.* The commissioner may retain at
30 the registered insurer's expense such attorneys, actuaries,
31 accountants and other experts not otherwise a part of the
32 commissioner's staff as shall be reasonably necessary to assist
33 in the conduct of the examination under subsection 1, 2, or 3
34 of this section. Any persons so retained shall be under the
35 direction and control of the commissioner and shall act in a

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1 purely advisory capacity.

2 ~~3.~~ 5. *Expenses.* Each registered insurer producing for
3 examination records, books and papers pursuant to subsection 1,
4 2, or 3 of this section shall be liable for and shall pay the
5 expense of such examination in accordance with section 507.7.

6 Sec. 19. NEW SECTION. **521A.6A Supervisory colleges.**

7 1. *Power of commissioner.* With respect to any insurer
8 registered under section 521A.4 and in accordance with
9 subsection 3 of this section, the commissioner shall have
10 the power to participate in a supervisory college for any
11 domestic insurer that is part of an insurance holding company
12 system with international operations in order to determine
13 compliance by the insurer with this chapter. The powers of the
14 commissioner with respect to supervisory colleges include but
15 are not limited to the following:

16 a. Initiating the establishment of a supervisory college.

17 b. Clarifying the membership and participation of other
18 supervisors in the supervisory college.

19 c. Clarifying the functions of the supervisory college and
20 the role of other regulators, including the establishment of a
21 group-wide supervisor.

22 d. Coordinating the ongoing activities of the supervisory
23 college, including planning meetings, supervisory activities,
24 and processes for information sharing.

25 e. Establishing a crisis management plan.

26 2. *Selection of group-wide supervisor.* In the event a
27 group-wide supervisor is established for a supervisory college
28 as described in subsection 1, the commissioner is authorized,
29 but not required, to act as the group-wide supervisor. In
30 order to determine whether the commissioner or another chief
31 insurance regulatory official is the appropriate group-wide
32 supervisor, the commissioner shall, in cooperation with other
33 supervisors, consider the following factors and the relative
34 scale of each:

35 a. The extent to which the insurance holding company

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1 system's insurance operations are domiciled in Iowa.

2 **b.** The location where the insurance holding company system
3 is based or the place of domicile of the insurance holding
4 company system's ultimate controlling person.

5 **c.** The locations of the insurance holding company system's
6 executive offices.

7 **d.** The locations of origin of the insurance business of the
8 insurance holding company system.

9 **e.** The locations of the assets and liabilities of the
10 insurance holding company system.

11 **f.** The locations of the business operations and activities
12 of the insurance holding company system.

13 **g.** Whether another chief insurance regulatory official is
14 acting or seeking to act as the lead group-wide supervisor
15 under a regulatory system that the commissioner determines to
16 be either of the following:

17 (1) Substantially similar to that provided under the laws of
18 the state of Iowa.

19 (2) Otherwise sufficient in terms of provision of
20 group-wide supervision, enterprise risk analysis, and
21 cooperation with other chief insurance regulatory officials.

22 **h.** Whether a chief insurance regulatory official acting
23 or seeking to act as the lead group-wide supervisor provides
24 the commissioner with reasonably reciprocal recognition and
25 cooperation.

26 3. *Commissioner as group-wide supervisor.* If the
27 commissioner is the group-wide supervisor as described in
28 subsection 2, the commissioner is authorized to engage in
29 conducting and coordinating any of the following group-wide
30 supervision activities:

31 **a.** Assessing the enterprise risks within the international
32 insurance group in accordance with the "own risk and solvency
33 assessments" requirements of chapter 522.

34 **b.** Requesting from any member of an international insurance
35 group subject to the commissioner's supervision information

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1 necessary and appropriate to assess enterprise risk in
2 accordance with chapter 522.

3 *c.* Communicating with other insurance regulatory officials
4 regarding members within the international insurance group and
5 sharing relevant information, subject to the confidentiality
6 provisions of section 521A.7, through supervisory colleges as
7 set forth in this section.

8 *d.* Other group-wide supervisory activities as considered
9 appropriate by the commissioner and as defined by the
10 commissioner by rule.

11 4. *Expenses — assessment.* Each registered insurer
12 subject to this section shall be liable for and shall pay the
13 reasonable expenses of the commissioner's participation in a
14 supervisory college in accordance with subsection 5, including
15 reasonable travel expenses. For purposes of this section,
16 a supervisory college may be convened as either a temporary
17 or permanent forum for communication and cooperation between
18 the regulators charged with the supervision of the insurer or
19 its affiliates, and the commissioner may establish a regular
20 assessment to the insurer for the payment of these expenses.

21 5. *Supervisory college.* In order to assess the business
22 strategy, financial position, legal and regulatory position,
23 risk exposure, risk management and governance processes,
24 and as part of the examination of individual insurers
25 in accordance with section 521A.6, the commissioner may
26 participate in a supervisory college with other regulators
27 charged with supervision of an insurer or its affiliates,
28 including other state, federal, and international regulatory
29 agencies. The commissioner may enter into agreements in
30 accordance with section 521A.7, subsection 3, providing the
31 basis for cooperation between the commissioner and the other
32 regulatory agencies, and the activities of the supervisory
33 college. Nothing in this section shall delegate to the
34 supervisory college the authority of the commissioner to
35 regulate or supervise the insurer or its affiliates within the

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1 commissioner's jurisdiction.

2 Sec. 20. Section 521A.7, Code 2014, is amended to read as
3 follows:

4 **521A.7 Confidential treatment.**

5 1. All information, documents, and copies thereof obtained
6 by or disclosed to the commissioner or any other person in
7 the course of an examination or investigation made pursuant
8 to section 521A.6 or 521A.6A, and all information reported
9 pursuant to sections 521A.4 and 521A.5, shall be given
10 confidential treatment and shall not be subject to subpoena
11 and shall not be made public by the commissioner or any other
12 person, except to insurance departments of other states,
13 without the prior written consent of the insurer to which it
14 pertains unless the commissioner, after giving the insurer
15 and its affiliates who would be affected thereby, notice and
16 opportunity to be heard, determines that the interests of
17 policyholders, shareholders, or the public will be served
18 by the publication thereof, in which event the commissioner
19 may publish all or any part thereof in such manner as the
20 commissioner may deem appropriate.

21 2. Neither the commissioner nor any person who received
22 documents, materials, or other information while acting under
23 the authority of the commissioner or with whom such documents,
24 materials, or other information are shared pursuant to this
25 chapter shall be permitted or required to testify in any
26 private civil action concerning any confidential documents,
27 materials, or other information subject to subsection 1.

28 3. In order to assist in the performance of the
29 commissioner's duties, the commissioner:

30 a. May share documents, materials, or other information,
31 including the confidential and privileged documents, materials,
32 or information subject to subsection 1, with other state,
33 federal, and international regulatory agencies, with the
34 national association of insurance commissioners and its
35 affiliates and subsidiaries, and with state, federal, and

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1 international law enforcement authorities, including members
2 of any supervisory college described in section 521A.6A,
3 provided that the recipient agrees in writing to maintain
4 the confidentiality and privileged status of the document,
5 material, or other information, and has verified in writing the
6 legal authority to maintain confidentiality.
7 b. Notwithstanding paragraph "a", the commissioner may only
8 share confidential and privileged documents, materials, or
9 information filed pursuant to section 521A.4, subsection 11A,
10 with commissioners of states having statutes or regulations
11 substantially similar to subsection 1 of this section and who
12 have agreed in writing not to disclose such information.
13 c. May receive documents, materials, or information,
14 including otherwise confidential and privileged documents,
15 materials, or information from the national association of
16 insurance commissioners and its affiliates and subsidiaries and
17 from regulatory and law enforcement officials of other foreign
18 or domestic jurisdictions, and shall maintain as confidential
19 or privileged any document, material, or information received
20 with notice or the understanding that it is confidential or
21 privileged under the laws of the jurisdiction that is the
22 source of the document, material, or information.
23 d. Shall enter into written agreements with the national
24 association of insurance commissioners governing sharing and
25 use of information provided pursuant to this chapter consistent
26 with this subsection that shall do all of the following:
27 (1) Specify procedures and protocols regarding the
28 confidentiality and security of information shared with
29 the national association of insurance commissioners and
30 subsidiaries pursuant to this chapter, including procedures
31 and protocols for sharing by the association with other state,
32 federal, or international regulators.
33 (2) Specify that ownership of information shared with
34 the national association of insurance commissioners and its
35 affiliates and subsidiaries pursuant to this chapter remains

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1 with the commissioner and the association's use of the
2 information is subject to the direction of the commissioner.
3 (3) Require prompt notice to be given to an insurer whose
4 confidential information in the possession of the national
5 association of insurance commissioners pursuant to this chapter
6 is subject to a request or subpoena to the association for
7 disclosure or production.
8 (4) Require the national association of insurance
9 commissioners and its affiliates and subsidiaries to consent to
10 intervention by an insurer in any judicial or administrative
11 action in which the association and its affiliates and
12 subsidiaries may be required to disclose confidential
13 information about the insurer shared with the association and
14 its affiliates and subsidiaries pursuant to this chapter.
15 4. The sharing of information by the commissioner pursuant
16 to this chapter shall not constitute a delegation of regulatory
17 authority or rulemaking, and the commissioner is solely
18 responsible for the administration, execution, and enforcement
19 of the provisions of this chapter.
20 5. No waiver of any applicable privilege or claim of
21 confidentiality in the documents, materials, or information
22 shall occur as a result of disclosure to the commissioner
23 under this section or as a result of sharing as authorized in
24 subsection 3.
25 6. Documents, materials, or other information in the
26 possession or control of the national association of insurance
27 commissioners pursuant to this chapter shall be confidential
28 by law and privileged, shall not be subject to chapter 22,
29 shall not be subject to subpoena, and shall not be subject
30 to discovery or admissible in evidence in any private civil
31 action.

32 EXPLANATION

33 The inclusion of this explanation does not constitute agreement with
34 the explanation's substance by the members of the general assembly.

35 This bill relates to the regulation of insurance company

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1 holding systems by the commissioner of insurance and provides
2 assessments and penalties.

3 Code section 521A.1 is amended to change the definition
4 of what constitutes "control" so that the presumption of
5 control can be rebutted in a specified manner and so that
6 the commissioner of insurance, after notice and hearing, may
7 determine that control of an entity exists in fact even without
8 a presumption to that effect.

9 New Code section 521A.1(4A) adds a definition of "enterprise
10 risk" which means an activity, circumstance, event, or series
11 of events involving one or more affiliates of an insurer that
12 if not remedied promptly is likely to have a material adverse
13 effect upon the financial condition or liquidity of the insurer
14 or its insurance company holding system as a whole.

15 New Code section 521A.1(9A) adds a definition of
16 "supervisory college" which is a temporary or permanent forum
17 for communication and cooperation between regulators charged
18 with supervision of an insurer or its affiliates.

19 Code section 521A.3(1) is amended to eliminate a requirement
20 that a tender offer or other request or invitation for tenders
21 made by an insurer must be sent to the insurer's shareholders.

22 Code section 521A.3(1) is also amended to require the
23 controlling person of a domestic insurer seeking to divest its
24 controlling interest in the insurer to file a confidential
25 notice of its proposed divestiture with the commissioner at
26 least 30 days prior to the cessation of control. In some
27 circumstances, the commissioner may require a party seeking
28 to divest or acquire a controlling interest in an insurer to
29 obtain approval of the transaction. The information shall
30 remain confidential until the conclusion of the transaction
31 unless the commissioner determines that confidential treatment
32 will interfere with enforcement of the statute.

33 Code section 521A.3(2) is amended to add additional
34 information that must be included in the required statement
35 filed with the commissioner by an insurer seeking acquisition

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1 of control of or merger with a domestic insurer.

2 Code section 521A.3(4)(a) is amended to require an applicant
3 for merger or other acquisition of control of a domestic
4 insurer to demonstrate to the commissioner that the merger or
5 acquisition is not likely to be hazardous or prejudicial to the
6 insurance-buying public.

7 Code section 521A.3(4)(b) is amended to provide that the
8 public hearing on a proposed merger or acquisition shall be
9 held within 30 days after the commissioner determines that
10 the required statement has been completed and contains all
11 required information. Notice of the hearing shall be given by
12 the commissioner to the person filing the statement and to the
13 domestic insurer.

14 Code section 521A.3(4) is also amended to include procedures
15 where the proposed merger or acquisition will require the
16 approval of more than one state commissioner of insurance.
17 In such cases, public hearings can be held on a consolidated
18 basis and the required statement can be filed with the national
19 association of insurance commissioners. A consolidated hearing
20 must be public and be held in the United States before the
21 commissioners of the states where the insurers involved are
22 domiciled.

23 Code section 521A.4(2) is amended to include additional
24 information that must be provided to the commissioner by an
25 insurer authorized to do business in this state which is a
26 member of an insurance holding company system and is required
27 to register in this state.

28 Code section 521A.4(11) is amended to provide that if a
29 person files with the commissioner a disclaimer of affiliation
30 with an authorized insurer the disclaimer shall be deemed
31 to have been granted unless the commissioner, within 30
32 days following receipt of the disclaimer, notifies the party
33 that the disclaimer is disallowed. In that instance, the
34 disclaiming party may request a hearing. A disclaiming party
35 is relieved of its duty to register in this state if the

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1 disclaimer is approved or is deemed to have been granted.

2 New Code section 521A.4(11A) requires the ultimate
3 controlling person of every insurer subject to registration
4 to file an annual enterprise risk report identifying material
5 risks within the insurance holding company system that could
6 pose enterprise risk to the insurer.

7 Code section 521A.4(12) is amended to provide that failure
8 to file an enterprise risk report within the time specified is
9 a violation of the Code section and could subject the violator
10 to civil penalties of \$1,000 for each day of delay with a
11 maximum of \$10,000 or \$1,000 per violation. A violator may
12 also be subject to a cease and desist order and voiding of
13 contracts. A willful violation is punishable as a class "D"
14 felony. A class "D" felony is punishable by confinement for no
15 more than five years and a fine of at least \$750 but not more
16 than \$7,500.

17 Code section 521A.5(1)(a) is amended to require that
18 agreements for cost-sharing services and management between
19 registered insurers and their affiliates must include
20 provisions as required by rules issued by the commissioner.

21 Code section 521A.5(1)(b) is amended to remove a provision
22 that limited a domestic insurer and its holding company system
23 from entering into certain transactions involving guarantees.

24 Code section 521A.5(1)(c) is amended to require a
25 domestic insurer and its holding company system to notify
26 the commissioner before entering into reinsurance pooling
27 agreements.

28 Code sections 521A.5(1)(c)(1) and (2) are amended to require
29 notification to the commissioner if the projected reinsurance
30 premium or a change in the insurer's liabilities in any of the
31 next three years equals or exceeds 5 percent of the insurer's
32 surplus as regards policyholders, or if the insurer and its
33 holding company system enter into management agreements,
34 service contracts, and other cost-sharing arrangements with
35 a quantifiable guarantee amount which exceeds the lesser of

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1 one-half of 1 percent of the insurer's admitted assets or 10
2 percent of surplus as regards policyholders. All guarantees
3 which are not quantifiable as to amount are subject to the
4 notice requirements.

5 Code section 521A.5(1)(c) is also amended to require a
6 domestic insurer and its holding company system to notify the
7 commissioner of direct or indirect acquisitions or investments
8 in a person that controls the insurer or an affiliate of the
9 insurer in an amount which together with its present holdings
10 in such investments, exceeds 2.5 percent of the insurer's
11 surplus to policyholders. Certain specified acquisitions or
12 investments are exempt from this requirement.

13 New Code section 521A.5(4) adds a standard related to the
14 management of domestic insurers subject to registration. The
15 provision allows a domestic insurer to have or share common
16 management, or cooperative or joint use of personnel, property,
17 or services under arrangements meeting the standards of the
18 provision as to the makeup and procedures of the board of
19 directors of the insurer and the board's committees. An
20 insurer may apply to the commissioner for a waiver from
21 these requirements if the insurer's annual direct written and
22 assumed premium is less than \$300 million or based upon unique
23 circumstances.

24 Code section 521A.6(1) is amended to authorize the
25 commissioner to examine any registered insurer and its
26 affiliates to ascertain the financial condition of the insurer,
27 including the enterprise risk to the insurer by any entity or
28 combination of entities within the insurance holding company
29 system.

30 New provisions in Code section 521A.6 allow the commissioner
31 to order the production of books and records of registered
32 insurers, including information not in the possession of, but
33 obtainable by the insurer, to determine compliance with the
34 Code chapter. If the insurer fails to comply with an order,
35 the commissioner has the power to examine the affiliates to

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1 obtain the information, issue subpoenas, administer oaths,
2 and examine persons under oath to determine compliance. The
3 commissioner can also petition a court to enter an order
4 compelling the appearance of witnesses or the production of
5 documentary evidence. The commissioner can also, after notice
6 and a hearing, require an insurer to pay a penalty of \$500
7 for each day's delay in providing information, or may suspend
8 or revoke the insurer's certificate of authority. The Code
9 section is also amended to provide that the commissioner may
10 retain consultants and assess expenses in connection with
11 examinations under the new provisions.

12 New Code section 521A.6A authorizes the commissioner
13 to participate in a supervisory college for any registered
14 domestic insurer that is part of an insurance holding company
15 system with international operations in order to determine
16 compliance by the insurer with the Code chapter and specifies
17 some of the commissioner's powers in that respect. The
18 provision allows the commissioner to act as the group-wide
19 supervisor of a supervisory college and sets forth criteria
20 for determining which chief insurance regulatory official
21 should act as the supervisor. If the commissioner serves
22 as the group-wide supervisor, the provision authorizes
23 the commissioner to engage in conducting and coordinating
24 certain group-wide supervision activities. The commissioner
25 is authorized to assess each registered insurer subject to
26 this provision the reasonable expenses of the commissioner's
27 participation in a supervisory college and also allows
28 the commissioner to establish a regular assessment to the
29 insurer for the ongoing expenses of convening a supervisory
30 college. The commissioner may enter into agreements with other
31 regulators in accordance with confidentiality requirements
32 for cooperation between the commissioner and other regulatory
33 agencies.

34 Code section 521A.7 is amended to provide that the
35 commissioner or any person who receives documents, materials,

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1 or other information under the Code chapter shall not be
2 permitted or required to testify in any private civil action
3 concerning such confidential documents, materials, or other
4 information. In order to assist in the performance of the
5 commissioner's duties, the commissioner may share such matters
6 with specified recipients provided that those recipients
7 agree to maintain confidentiality and privileged access to
8 the documents, materials, and information. Specifically as
9 to enterprise reports filed by insurers, the commissioner may
10 share those documents, materials, and information only with
11 commissioners of states that have statutes or regulations
12 that are substantially similar to the confidential treatment
13 provisions of this state. The commissioner may receive
14 documents, materials, or information from the national
15 association of insurance commissioners and its affiliates and
16 subsidiaries and from regulatory and law enforcement officials
17 of other foreign or domestic jurisdictions if the confidential
18 and privileged nature of the materials is maintained. The
19 commissioner may enter into written agreements concerning the
20 sharing of such materials.



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House File 2218 - Introduced

HOUSE FILE 2218
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 537)

A BILL FOR

1 An Act relating to various matters involving insurance and
2 the insurance division of the department of commerce and
3 including applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

MISCELLANEOUS PROVISIONS

Section 1. Section 97B.49B, subsection 1, paragraph e, Code 2014, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (13) An employee of the insurance division of the department of commerce who as a condition of employment is required to be certified by the Iowa law enforcement academy and who is required to perform the duties of a peace officer as provided in section 507E.8.

Sec. 2. Section 502.409, subsection 1, Code 2014, is amended to read as follows:

1. *Withdrawal of registration.* Withdrawal of registration by a broker-dealer, agent, investment adviser, or investment adviser representative becomes effective sixty days after the filing of the application to withdraw or within any shorter period as provided by rule adopted or order issued under this chapter unless a revocation or suspension proceeding is pending when the application is filed. If a proceeding is pending, withdrawal becomes effective when and upon such conditions as required by rule adopted or order issued under this chapter. The administrator may institute a disciplinary action under section 502.412, including an action to revoke, suspend, condition, or limit the registration of a registrant, censure, impose a bar, or impose a civil penalty, within ~~one year~~ two years after the withdrawal became effective automatically and issue a disciplinary order as of the last date on which registration was effective if a proceeding is not pending.

Sec. 3. Section 511.8, subsection 8, paragraph d, Code 2014, is amended to read as follows:

d. In addition to the restrictions contained in paragraphs "a" and "b", the investments of any company or association in securities included under subsection 5, paragraph "c", are not eligible in excess of ~~two~~ three percent of the legal reserve, but not more than ~~one-eighth~~ one-half of one percent of the legal reserve shall be invested in the securities of any one

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1 corporation.

2 Sec. 4. Section 511.8, subsection 22, paragraph i, Code
3 2014, is amended to read as follows:

4 i. Securities held in the legal reserve of a life insurance
5 company or association pledged as collateral for financial
6 instruments used in ~~highly effective~~ hedging transactions ~~as~~
7 ~~defined in the national association of insurance commissioners'~~
8 ~~statement of statutory accounting principles no. 86~~ shall
9 continue to be eligible for inclusion in the legal reserve of
10 the life insurance company or association subject to all of the
11 following:

12 (1) The life insurance company or association does not
13 include the financial instruments used in ~~highly effective~~
14 hedging transactions for which the securities are pledged as
15 collateral in the legal reserve of the life insurance company
16 or association, provided, however, that this subparagraph
17 shall not exclude securities pledged to a counterparty,
18 clearing organization, or clearinghouse on an upfront basis
19 in the form of initial margin, independent amount, or other
20 securities pledged as a precondition of entering into financial
21 instruments used in ~~highly effective~~ hedging transactions from
22 inclusion in the legal reserve of the life insurance company
23 or association.

24 (2) Securities pledged as collateral for financial
25 instruments used in highly effective hedging transactions
26 as defined in the national association of insurance
27 commissioners' statement of statutory accounting principles
28 no. 86, together with securities pledged to a counterparty,
29 clearing organization, or clearinghouse on an upfront basis
30 in the form of initial margin, independent amount, or other
31 securities pledged as a precondition of entering into ~~financial~~
32 ~~instruments used in~~ highly effective hedging transactions
33 pursuant to subparagraph (1), are not eligible in excess of
34 ten percent of the legal reserve of the life insurance company
35 or association, less any financial instruments used in hedging

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1 transactions held in the legal reserve under this subsection
2 and less any securities included under subparagraph (3).
3 (3) Securities pledged as collateral for financial
4 instruments used in hedging transactions that the life
5 insurance company or association does not report as highly
6 effective hedging transactions, together with securities
7 pledged to a counterparty, clearing organization, or
8 clearinghouse on an upfront basis in the form of initial
9 margin, independent amount, or other securities pledged as
10 a precondition of entering into hedging transactions that
11 the life insurance company or association does not report as
12 highly effective hedging transactions pursuant to subparagraph
13 (1), are not eligible in excess of three percent of the legal
14 reserve of the life insurance company or association, less any
15 financial instruments used in hedging transactions held in the
16 legal reserve under this subsection.

17 DIVISION II

18 ELECTRONIC POSTING AND TRANSMISSION OF INSURANCE NOTICES AND
19 DOCUMENTS

20 Sec. 5. NEW SECTION. 505B.1 Notices and documents delivered
21 by electronic means.

22 1. As used in this chapter, unless the context otherwise
23 requires:

24 a. *"Delivered by electronic means"* means any of the
25 following:

26 (1) Delivery to an electronic mail address at which a party
27 has consented to receive notices or documents.

28 (2) Posting on an electronic network or site accessible via
29 the internet, a mobile application, computer, mobile device,
30 tablet, or any other electronic device, together with separate
31 notice of the posting which shall be provided by electronic
32 mail to the address at which the party has consented to receive
33 notice or by any other delivery method that has been consented
34 to by the party.

35 b. *"Party"* means a recipient of a notice or document

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1 required as part of an insurance transaction including but not
2 limited to an applicant, an insured, a policyholder, or an
3 annuity contract holder.

4 2. Subject to subsection 4, any notice to a party or any
5 other document required under applicable law in an insurance
6 transaction or that is to serve as evidence of insurance
7 coverage may be delivered, stored, or presented by electronic
8 means so long as the notice or document meets the requirements
9 of chapter 554D.

10 3. Delivery of a notice or document in accordance with this
11 section shall be considered equivalent to any delivery method
12 required under applicable law, including delivery by first
13 class mail; first class mail, postage prepaid; certified mail;
14 certificate of mail; or certificate of mailing.

15 4. A notice or document may be delivered by electronic
16 means by an insurer to a party under this section if all of the
17 following occur:

18 a. The party has affirmatively consented to such method of
19 delivery and has not withdrawn the consent.

20 b. The party, before giving consent, is provided with a
21 clear and conspicuous statement informing the party of the
22 following:

23 (1) Any right or option of the party to have the notice
24 or document provided or made available in paper or another
25 nonelectronic form.

26 (2) The right of the party to withdraw consent to have a
27 notice or document delivered by electronic means and any fees,
28 conditions, or consequences imposed in the event consent is
29 withdrawn.

30 (3) Whether the party's consent applies as follows:

31 (a) Only to the particular transaction as to which the
32 notice or document must be provided.

33 (b) To identified categories of notices or documents that
34 may be delivered by electronic means during the course of the
35 parties' relationship.

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1 (4) (a) The means, after consent is given, by which a party
2 may obtain a paper copy of a notice or document delivered by
3 electronic means.

4 (b) The fee, if any, for the paper copy.

5 (5) The procedure a party must follow to withdraw consent to
6 have a notice or document delivered by electronic means and to
7 update information needed to contact the party electronically.

8 c. Both of the following occur:

9 (1) Before giving consent, the party is provided with
10 a statement of the hardware and software requirements for
11 access to and retention of a notice or document delivered by
12 electronic means.

13 (2) The party consents electronically, or confirms consent
14 electronically, in a manner that reasonably demonstrates that
15 the party can access information in the electronic form that
16 will be used for notices or documents delivered by electronic
17 means as to which the party has given consent.

18 d. After consent of the party is given, the insurer, in
19 the event a change in the hardware or software requirements
20 needed to access or retain a notice or document delivered by
21 electronic means creates a material risk that the party will
22 not be able to access or retain a subsequent notice or document
23 to which the consent applies, does the following:

24 (1) Provides the party with a statement of the following:

25 (a) The revised hardware and software requirements for
26 access to and retention of a notice or document delivered by
27 electronic means.

28 (b) The right of the party to withdraw consent without the
29 imposition of any fee, condition, or consequence that was not
30 disclosed under paragraph "b", subparagraph (2).

31 (2) Complies with paragraph "b".

32 5. This section does not affect requirements related to
33 content or timing of any notice or document required under
34 applicable law.

35 6. If a provision of this title or applicable law requiring

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1 a notice or document to be provided to a party expressly
2 requires verification or acknowledgment of receipt of the
3 notice or document, the notice or document may be delivered
4 by electronic means only if the method used provides for
5 verification or acknowledgment of receipt.

6 7. The legal effectiveness, validity, or enforceability
7 of any contract or policy of insurance executed by a party
8 shall not be denied solely because of the failure to obtain
9 electronic consent or confirmation of consent of the party in
10 accordance with subsection 4, paragraph "c", subparagraph (2).

11 8. a. A withdrawal of consent by a party does not affect
12 the legal effectiveness, validity, or enforceability of a
13 notice or document delivered by electronic means to the party
14 before the withdrawal of consent is effective.

15 b. A withdrawal of consent by a party is effective within a
16 reasonable period of time after receipt of the withdrawal by
17 the insurer.

18 c. Failure by an insurer to comply with subsection 4,
19 paragraph "d", may be treated, at the election of the party, as
20 a withdrawal of consent for purposes of this section.

21 9. This section does not apply to a notice or document
22 delivered by an insurer in an electronic form before the
23 effective date of this Act to a party who, before that date,
24 has consented to receive a notice or document in an electronic
25 form otherwise allowed by law.

26 10. If the consent of a party to receive certain notices
27 or documents in an electronic form is on file with an insurer
28 before the effective date of this Act, and pursuant to this
29 section an insurer intends to deliver additional notices or
30 documents to such party in an electronic form, then prior to
31 delivering such additional notices or documents electronically,
32 the insurer shall notify the party of the following:

33 a. The notices or documents that may be delivered by
34 electronic means under this section that were not previously
35 delivered electronically.

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1 *b.* The party's right to withdraw consent to have notices or
2 documents delivered by electronic means.

3 11. *a.* Except as otherwise provided by law, if an oral
4 communication or a recording of an oral communication from a
5 party can be reliably stored and reproduced by an insurer, the
6 oral communication or recording may qualify as a notice or
7 document delivered by electronic means for purposes of this
8 section.

9 *b.* If a provision of this title or applicable law requires a
10 signature or notice or document to be notarized, acknowledged,
11 verified, or made under oath, the requirement is satisfied if
12 the electronic signature of the person authorized to perform
13 those acts, together with all other information required to
14 be included by the provision, is attached to or logically
15 associated with the signature, notice, or document.

16 12. This section shall not be construed to modify, limit, or
17 supersede the provisions of the federal Electronic Signatures
18 in Global and National Commerce Act, Pub. L. No. 106-229, 114
19 Stat. 464 (2000), codified at 15 U.S.C. §7001 et seq., as
20 amended.

21 Sec. 6. NEW SECTION. 505B.2 Posting of policies on the
22 internet.

23 1. Notwithstanding any contrary provision of chapter
24 554D, an insurer may mail, deliver, or post on the insurer's
25 internet site insurance documents, including policies, riders,
26 endorsements, and annuity contracts that do not contain
27 personally identifiable information. If the insurer elects
28 to post an insurance policy or endorsement on the insurer's
29 internet site in lieu of mailing or delivering the policy or
30 endorsement to the insured, the insurer must comply with all of
31 the following conditions:

32 *a.* The policy or endorsement must be accessible and remain
33 accessible for as long as the policy or endorsement is in
34 force.

35 *b.* After the expiration of the policy or endorsement, the

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1 insurer must archive the expired policy or endorsement for
2 a period of five years, and make the policy or endorsement
3 available upon request.

4 *c.* The policy or endorsement must be posted in a manner that
5 enables the insured to print and save the policy or endorsement
6 using programs and applications that are widely available on
7 the internet and free to use.

8 *d.* The insurer must provide the following information in,
9 or simultaneously with, each declarations page provided at the
10 time of issuance of the initial policy and any renewal of that
11 policy:

12 (1) A description of the exact policy or endorsement
13 purchased by the insured.

14 (2) A method by which the insured may obtain, upon request
15 and without charge, a paper copy of the insured's policy or
16 endorsement.

17 (3) An internet address where the insured's policy or
18 endorsement is posted.

19 *e.* The insurer must provide notice, in the format preferred
20 by the insured, of any changes to the policy or endorsement,
21 the insured's right to obtain, upon request and without charge,
22 a paper copy of such policy or endorsement, and the internet
23 address where such policy or endorsement is posted.

24 Sec. 7. NEW SECTION. **505B.3 Applicability.**

25 The provisions of this chapter shall apply to the insurance
26 products and documents, including insurance policies, insurance
27 riders, insurance endorsements, and annuity contracts filed
28 with and regulated by the commissioner of insurance under the
29 authority provided to the commissioner by Title XIII, subtitle
30 1.

31 EXPLANATION

32 The inclusion of this explanation does not constitute agreement with
33 the explanation's substance by the members of the general assembly.

34 This bill relates to various matters involving insurance
35 and the insurance division of the department of commerce and

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1 includes applicability provisions.

2 DIVISION I — MISCELLANEOUS PROVISIONS.

3 IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (IPERS). New
4 Code section 97B.49B(1)(e)(13) provides that employees of
5 the insurance division who as a condition of employment are
6 required to be certified by the Iowa law enforcement academy
7 and who are required to perform the duties of a peace officer,
8 are defined as being in a "protection occupation" for purposes
9 of calculation of their retirement benefits under IPERS.

10 UNIFORM SECURITIES ACT. Code section 502.409(1) is amended
11 to provide that when a broker-dealer, agent, investment
12 adviser, or investment adviser representative withdraws its
13 registration in this state, the commissioner of insurance
14 or a deputy may institute a disciplinary action against
15 such a person within two years, instead of one year, of the
16 withdrawal.

17 LIFE INSURANCE COMPANIES AND ASSOCIATIONS. Code section
18 511.8(8)(d) is amended to provide that certain corporate
19 obligations held in the legal reserve of a life insurance
20 company or association cannot exceed 3 percent, instead of
21 2 percent, of the legal reserve and not more than one-half,
22 instead of one-eighth, of 1 percent of the legal reserve can be
23 invested in the securities of any one corporation.

24 Code section 511.8(22)(i) is amended to provide that certain
25 securities pledged as collateral for financial instruments used
26 in hedging transactions, instead of highly effective hedging
27 transactions, are eligible to be held in the legal reserve of
28 a life insurance company or association subject to certain
29 restrictions. Those restrictions are:

30 1) Financial instruments used in hedging transactions for
31 which the securities are pledged as collateral cannot be
32 included in the reserve, except in specified cases.

33 2) Securities pledged as collateral for financial
34 instruments used in highly effective hedging transactions, as
35 defined by the national association of insurance commissioners,

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1 together with securities pledged to certain entities or other
2 securities pledged as a precondition of entering into highly
3 effective hedging transactions, cannot be held in excess of
4 10 percent of the legal reserve less any instruments used
5 in hedging transactions held in the reserve and less any
6 securities pledged as collateral for financial instruments used
7 in hedging transactions.

8 3) Securities pledged as collateral for financial
9 instruments used in hedging transactions together with
10 securities pledged to specified entities or other securities
11 pledged as a condition of entering into hedging transactions
12 that are not highly effective hedging transactions, cannot
13 exceed 3 percent of the legal reserve less any financial
14 instruments used in hedging transactions that are held in the
15 reserve under Code section 511.8(22)(i).

16 DIVISION II — ELECTRONIC POSTING AND TRANSMISSION OF
17 INSURANCE NOTICES AND DOCUMENTS. New Code chapter 505B
18 regulates the electronic delivery and posting on an electronic
19 network, of certain insurance notices and documents required to
20 be sent to a person including but not limited to an applicant,
21 an insured, a policyholder, or an annuity contract holder as
22 part of an insurance transaction.

23 New Code section 505B.1 provides that any such notice or
24 document required to be sent to such a person under applicable
25 law may be delivered, stored, or presented by electronic means
26 so long as the notice or document meets the requirements of
27 the Uniform Electronic Transactions Act (Code chapter 554D)
28 and the requirements of this new Code section. Electronic
29 delivery that meets these requirements is considered equivalent
30 to delivery under other methods required by law such as first
31 class mail, certified mail, or certificate of mail.

32 In order to meet the requirements of new Code section 505B.1,
33 the recipient must affirmatively consent to electronic delivery
34 or posting and must be provided with a clear and conspicuous
35 statement informing the recipient of their rights, including

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1 the right to withdraw consent and any fees imposed for doing
2 so. The recipient must also be provided with the hardware and
3 software requirements for accessing information in electronic
4 form and notified if those requirements change.

5 New Code section 505B.1 does not affect legal requirements
6 related to the content or timing of any notice or document.
7 If the legal requirements expressly require verification or
8 acknowledgment of receipt of the notice or document, the
9 electronic delivery must provide for such verification or
10 acknowledgment of receipt. The legal effectiveness, validity,
11 or enforceability of any contract or policy of insurance cannot
12 be denied solely because of the failure to obtain electronic
13 consent or confirmation of the consent pursuant to the new
14 Code section. A withdrawal of consent does not affect the
15 legal effectiveness, validity, or enforceability of a notice or
16 document delivered by electronic means prior to the effective
17 date of the withdrawal of consent.

18 If a party had consented to receive certain notices or
19 documents electronically prior to the effective date of new
20 Code chapter 505B, an insurer who intends to deliver additional
21 notices or documents to the party pursuant to the new Code
22 chapter must provide notice of that fact and inform the party
23 of the right to withdraw consent to such delivery.

24 Except as otherwise prohibited by law, if an oral
25 communication or recording of an oral communication from a
26 party can be reliably stored and reproduced by an insurer, the
27 oral communication or recording may qualify as a notice or
28 document delivered by electronic means. Also, the electronic
29 signature of a person is satisfactory to meet requirements to
30 notarize, acknowledge, verify, or make under oath a signature,
31 notice, or document.

32 New Code section 505B.1 shall not be construed to modify,
33 limit, or supersede the provisions of the federal Electronic
34 Signatures in Global and National Commerce Act.

35 New Code section 505B.2 provides that insurance documents,

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1 including policies, riders, endorsements, and annuity contracts
2 that do not contain personally identifiable information may be
3 mailed, delivered, or posted on the insurer's internet site.
4 If the insurer elects to post the items in lieu of mailing or
5 delivering them to the insured, the items must be accessible
6 as long as they are in force; must be archived for a period of
7 five years after expiration and be available upon request; and
8 must be posted in a manner that allows the insured to print and
9 save the items using programs and applications that are widely
10 available on the internet at no charge. The insurer must also
11 provide information to the insured in, or simultaneously with,
12 each declarations page provided at the time of issuance of the
13 initial policy and any renewal of that policy, describing the
14 policy or endorsement; providing a method to obtain without
15 charge a paper copy of the policy or endorsement; and providing
16 the internet address where the items are posted.

17 New Code chapter 505B applies to insurance products and
18 documents, including insurance policies, insurance riders,
19 insurance endorsements, and annuity contracts filed with and
20 regulated by the commissioner of insurance under the authority
21 of Title XIII, subtitle 1 of the Code.



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House File 2219 - Introduced

HOUSE FILE 2219
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 535)

A BILL FOR

1 An Act relating to standard valuation and standard forfeiture
2 provisions for life insurance policies or contracts and
3 including applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 508.36, Code 2014, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 01. *Definitions.*

4 *a.* As used in this section, unless the context otherwise
5 requires:

6 (1) "*Accident and health insurance*" means policies
7 or contracts that incorporate morbidity risk and provide
8 protection against economic loss resulting from accident,
9 sickness, or medical conditions and as may be specified in the
10 valuation manual.

11 (2) "*Appointed actuary*" means a qualified actuary who is
12 appointed in accordance with the valuation manual to prepare
13 the actuarial opinion required in subsection 2, paragraph "*a*".

14 (3) "*Company*" means an entity which has done any of the
15 following:

16 (a) Written, issued, or reinsured life insurance policies
17 or contracts, accident and health insurance policies or
18 contracts, or deposit-type policies or contracts in this state
19 and has at least one such policy or contract in force or on
20 claim.

21 (b) Written, issued, or reinsured life insurance policies
22 or contracts, accident and health insurance policies or
23 contracts, or deposit-type policies or contracts in any state
24 and is required to hold a certificate of authority to write
25 life insurance, accident and health insurance, or deposit-type
26 policies or contracts in any state and is required to hold a
27 certificate of authority to write life insurance, accident and
28 health insurance, or deposit-type policies or contracts in this
29 state.

30 (4) "*Deposit-type policy or contract*" means policies or
31 contracts that do not incorporate mortality or morbidity risks
32 and such policies or contracts as may be specified in the
33 valuation manual.

34 (5) "*Life insurance*" means policies or contracts that
35 incorporate mortality risk, including annuity and pure

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1 endowment contracts, and such policies or contracts as may be
2 specified in the valuation manual.

3 (6) "*NAIC*" means the national association of insurance
4 commissioners.

5 (7) "*Operative date of the valuation manual*" means the
6 operative date of the valuation manual as provided in
7 subsection 13.

8 (8) "*Policyholder behavior*" means any action a policyholder,
9 contract holder, or any other person with the right to elect
10 options, such as a certificate holder, may take under a policy
11 or contract subject to this section including but not limited
12 to lapse, withdrawal, transfer, deposit, premium payment, loan,
13 annuitization, or benefit elections prescribed by the policy or
14 contract, but excluding events of mortality or morbidity that
15 result in benefits prescribed in their essential aspects by the
16 terms of the policy or contract.

17 (9) "*Principle-based valuation*" means a reserve valuation
18 that uses one or more methods or one or more assumptions
19 determined by the insurer and that is required to comply with
20 subsection 14 as specified in the valuation manual.

21 (10) "*Qualified actuary*" means an individual who is
22 qualified to sign the applicable statement of actuarial
23 opinion in accordance with the American academy of actuaries
24 qualification standards for actuaries signing such statements
25 and who meets the requirements specified in the valuation
26 manual.

27 (11) "*Tail risk*" means a risk that occurs either where the
28 frequency of low probability events is higher than expected
29 under a normal probability distribution or where there are
30 observed events of very significant size or magnitude.

31 (12) "*Valuation manual*" means the manual of valuation
32 instructions adopted by the NAIC as specified in this section
33 or as subsequently amended.

34 *b.* This subsection is applicable on or after the operative
35 date of the valuation manual.



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1 Sec. 2. Section 508.36, subsection 1, Code 2014, is amended
2 to read as follows:

3 1. *Reserve valuation.*

4 a. Policies and contracts issued prior to operative date of
5 valuation manual.

6 (1) The commissioner shall annually value, or cause to be
7 valued, the reserve liabilities, referred to in this section
8 as reserves, for all outstanding life insurance policies and
9 annuity and pure endowment contracts of every life insurance
10 company doing business in this state, ~~and may certify the~~
11 ~~amount of any such reserves, specifying the mortality table~~
12 ~~or tables, rate or rates of interest, and the net level~~
13 ~~premium method or other methods used in the calculation of~~
14 ~~such reserves issued on or after July 1, 1973, and prior to~~
15 ~~the operative date of the valuation manual.~~ In calculating
16 the reserves, the commissioner may use group methods and
17 approximate averages for fractions of a year or otherwise. In
18 lieu of the valuation of the reserves required in this section
19 of any foreign or alien company, the commissioner may accept
20 any valuation made, or caused to be made, by the insurance
21 supervisory official of any state or other jurisdiction when
22 such valuation complies with the minimum standard provided
23 for in this section ~~and if the official of such state or~~
24 ~~jurisdiction accepts as sufficient and valid for all legal~~
25 ~~purposes the certificate of valuation of the commissioner when~~
26 ~~such certificate states the valuation to have been made in a~~
27 ~~specified manner according to which the aggregate reserves~~
28 ~~would be at least as large as if they had been computed in the~~
29 ~~manner prescribed by the law of that state or jurisdiction.~~

30 (2) The provisions set forth in subsections 3 through 12
31 shall apply to all policies and contracts, as appropriate,
32 subject to this section that were issued on or after July 1,
33 1973, and prior to the operative date of the valuation manual
34 and the provisions set forth in subsections 13 and 14 shall not
35 apply to any such policies or contracts.



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1 (3) The minimum standard for the valuation of policies and
2 contracts issued prior to July 1, 1973, shall be the standard
3 provided by the laws in effect immediately prior to that date.

4 b. Policies and contracts issued on or after operative date
5 of valuation manual.

6 (1) The commissioner shall annually value, or cause to
7 be valued, the reserve liabilities for all outstanding life
8 insurance policies or contracts, annuity and pure endowment
9 policies or contracts, accident and health insurance policies
10 or contracts, and deposit-type policies or contracts of every
11 company issued on or after the operative date of the valuation
12 manual. In lieu of the valuation of the reserves required
13 of a foreign or alien company, the commissioner may accept
14 a valuation made, or caused to be made, by the insurance
15 supervisory official of any state or other jurisdiction when
16 the valuation complies with the minimum standard provided in
17 this section.

18 (2) The provisions set forth in subsections 13 and 14 shall
19 apply to all policies or contracts issued on or after the
20 operative date of the valuation manual.

21 Sec. 3. Section 508.36, subsection 2, Code 2014, is amended
22 to read as follows:

23 2. *Actuarial opinion of reserves.* ~~This subsection is~~
24 ~~effective January 1, 1996.~~

25 a. Actuarial opinion of reserves prior to operative date of
26 valuation manual. This paragraph "a" applies to an actuarial
27 opinion of reserves submitted prior to the operative date of
28 the valuation manual.

29 ~~a-~~ (1) General. A life insurance company doing business
30 in this state shall annually submit the written opinion of
31 a qualified actuary as to whether the reserves and related
32 actuarial items held in support of the policies and contracts
33 specified by the commissioner by regulation are computed
34 appropriately, are based on assumptions which satisfy
35 contractual provisions, are consistent with prior reported

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1 amounts, and are in compliance with applicable laws of this
2 state. The commissioner shall define by rule the requirements
3 and content of this opinion and add any other items deemed to
4 be necessary.

5 ~~b.~~ (2) *Actuarial analysis of reserves and assets supporting*
6 *such reserves.*

7 ~~(1)~~ (a) Unless exempted by rule, a life insurance company
8 shall also annually include in the opinion required by
9 ~~paragraph "a"~~ subparagraph (1), an opinion of the same qualified
10 actuary as to whether the reserves and related actuarial items
11 held in support of policies and contracts specified by the
12 commissioner by rule, when considered ~~with respect to~~ in light
13 of the assets held by the company ~~associated with respect to~~
14 the reserves and related actuarial items, including, but not
15 limited to, the investment earnings on the assets and the
16 considerations anticipated to be received and retained under
17 the policies and contracts, ~~are sufficient~~ make adequate
18 provision for the company's obligations under the policies and
19 contracts, including but not limited to the benefits under and
20 expenses associated with the policies and contracts.

21 ~~(2)~~ (b) The commissioner may provide by rule for a
22 transition period for establishing any higher reserves which
23 the qualified actuary may deem necessary in order to render the
24 opinion required by this ~~section~~ paragraph "a".

25 ~~c.~~ (3) *Requirements for actuarial analysis opinions subject*
26 *to subparagraph (2).* An opinion required by ~~paragraph "b"~~
27 subparagraph (2) shall be governed by the following provisions:

28 ~~(1)~~ (a) A memorandum, in form and substance acceptable to
29 the commissioner as specified by rule, shall be prepared to
30 support each actuarial opinion.

31 ~~(2)~~ (b) If the insurance company fails to provide a
32 supporting memorandum at the request of the commissioner within
33 a period specified by rule or the commissioner determines that
34 the supporting memorandum provided by the insurance company
35 fails to meet the standards prescribed by the rules or is



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1 otherwise unacceptable to the commissioner, the commissioner
2 may engage a qualified actuary at the expense of the company to
3 review the opinion and the basis for the opinion and prepare
4 such supporting memorandum as is required by the commissioner.
5 ~~d-~~ (4) *Requirement for all opinions subject to this*
6 *paragraph.* An opinion required under this ~~section~~ paragraph "a"
7 is governed by the following provisions:
8 {1} (a) The opinion shall be submitted with the annual
9 statement reflecting the valuation of such reserve liabilities
10 for each year ending on or after December 31, 1995.
11 {2} (b) The opinion shall apply to all business in force,
12 including individual and group health insurance plans, in form
13 and substance acceptable to the commissioner as specified by
14 rule.
15 {3} (c) The opinion shall be based on standards adopted
16 from time to time by the actuarial standards board and on such
17 additional standards as the commissioner may by rule prescribe.
18 {4} (d) In the case of an opinion required to be submitted
19 by a foreign or alien company, the commissioner may accept the
20 opinion filed by that company with the insurance supervisory
21 official of another state if the commissioner determines that
22 the opinion reasonably meets the requirements applicable to a
23 company domiciled in this state.
24 {5} (e) For the purposes of this ~~section~~ paragraph "a",
25 "qualified actuary" means a member in good standing of the
26 American academy of actuaries who meets the requirements of the
27 commissioner as specified by rule.
28 {6} (f) Except in cases of fraud or willful misconduct,
29 a qualified actuary is not liable for damages to any person,
30 other than to the insurance company and the commissioner, for
31 any act, error, omission, decision, or conduct with respect to
32 the actuary's opinion.
33 {7} (g) Disciplinary action which may be taken by the
34 commissioner against the company or the qualified actuary shall
35 be defined in rules adopted by the commissioner.

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1 ~~(8)~~—~~(a)~~ (h) (i) Any memorandum in support of the
2 opinion, and any other material provided by the company to
3 the commissioner in connection with the opinion, shall be
4 kept confidential by the commissioner and shall not be made
5 public and shall not be subject to subpoena, other than for the
6 purpose of defending an action seeking damages from any person
7 by reason of any action required by this ~~section~~ paragraph "a"
8 or by rules adopted pursuant to this ~~section~~ paragraph "a".
9 Notwithstanding this subparagraph division, the memorandum or
10 other material may be released by the commissioner if either of
11 the following applies:
12 ~~(i)~~ (A) The commissioner receives the written consent of
13 the company with which the opinion is associated.
14 ~~(ii)~~ (B) The American academy of actuaries requests that
15 the memorandum or other material is required for the purpose
16 of professional disciplinary proceedings and setting forth
17 procedures satisfactory to the commissioner for preserving the
18 confidentiality of the memorandum or other material.
19 ~~(b)~~ (ii) Once any portion of the confidential memorandum
20 is cited by the company in its marketing, is cited before any
21 governmental agency other than a state insurance department, or
22 is released by the company to the news media, all portions of
23 the confidential memorandum are no longer confidential.
24 b. Actuarial opinion of reserves on or after operative date
25 of valuation manual. This paragraph "b" applies to an actuarial
26 opinion of reserves submitted on or after the operative date
27 of the valuation manual.
28 (1) General. Every company with outstanding life insurance
29 policies or contracts, accident and health insurance policies
30 or contracts, or deposit-type policies or contracts in
31 this state and subject to regulation by the commissioner
32 shall annually submit the opinion of the appointed actuary
33 as to whether the reserves and related actuarial items
34 held in support of the policies and contracts are computed
35 appropriately, are based on assumptions that satisfy



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1 contractual provisions, are consistent with prior reported
2 amounts, and comply with applicable laws of this state. The
3 valuation manual shall prescribe the specifics of this opinion
4 including any items deemed to be necessary to its scope.

5 (2) *Actuarial analysis of reserves and assets supporting*
6 *reserves.* Every company with outstanding life insurance
7 policies or contracts, accident and health insurance policies
8 or contracts, or deposit-type policies or contracts in this
9 state and subject to regulation by the commissioner, except as
10 exempted in the valuation manual, shall annually include in
11 the opinion required by subparagraph (1), an opinion of the
12 same appointed actuary as to whether the reserves and related
13 actuarial items held in support of the policies and contracts
14 specified in the valuation manual, when considered in light of
15 the assets held by the company with respect to the reserves
16 and related actuarial items, including but not limited to
17 the investment earnings on the assets and the considerations
18 anticipated to be received and retained under the policies
19 and contracts, make adequate provision for the company's
20 obligations under the policies and contracts, including but not
21 limited to the benefits under and expenses associated with the
22 policies and contracts.

23 (3) *Requirements for opinions subject to subparagraph*
24 *(2).* An opinion required by subparagraph (2) shall be governed
25 by the following provisions:

26 (a) A memorandum, in form and substance as specified in the
27 valuation manual, and that is acceptable to the commissioner,
28 shall be prepared to support each actuarial opinion.

29 (b) If the company fails to provide a supporting memorandum
30 at the request of the commissioner within a period specified
31 in the valuation manual or the commissioner determines that
32 the supporting memorandum provided by the company fails to
33 meet the standards prescribed by the valuation manual or is
34 otherwise unacceptable to the commissioner, the commissioner
35 may engage a qualified actuary at the expense of the company to



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1 review the opinion and the basis for the opinion and prepare
2 the supporting memorandum required by the commissioner.

3 (4) Requirements for all opinions subject to this
4 paragraph. Every opinion subject to this paragraph "b" shall be
5 governed by the following provisions:

6 (a) The opinion shall be in form and substance as specified
7 in the valuation manual and acceptable to the commissioner.

8 (b) The opinion shall be submitted with the annual statement
9 reflecting the valuation of such reserve liabilities for each
10 year ending on or after the operative date of the valuation
11 manual.

12 (c) The opinion shall apply to all policies and contracts
13 subject to subparagraph (2) plus other actuarial liabilities as
14 may be specified in the valuation manual.

15 (d) The opinion shall be based on standards adopted from
16 time to time by the actuarial standards board or its successor,
17 and on such additional standards as may be prescribed in the
18 valuation manual.

19 (e) In the case of an opinion required to be submitted by
20 a foreign or alien company, the commissioner may accept the
21 opinion filed by that company with the insurance supervisory
22 official of another state if the commissioner determines that
23 the opinion reasonably meets the requirements applicable to a
24 company domiciled in this state.

25 (f) Except in cases of fraud or willful misconduct, the
26 appointed actuary shall not be liable for damages to any
27 person, other than the company and the commissioner, for any
28 act, error, omission, decision, or conduct with respect to the
29 appointed actuary's opinion.

30 (g) Disciplinary action by the commissioner against the
31 company or the appointed actuary shall be defined in rules
32 adopted by the commissioner pursuant to chapter 17A.

33 Sec. 4. Section 508.36, subsection 3, paragraph a,
34 unnumbered paragraph 1, Code 2014, is amended to read as
35 follows:

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1 For ~~all~~ ordinary policies of life insurance issued on the
2 standard basis, excluding any disability and accidental death
3 benefits in the policies, the following:

4 Sec. 5. Section 508.36, subsection 3, paragraph a,
5 subparagraph (2), Code 2014, is amended to read as follows:

6 (2) The commissioners 1958 standard ordinary mortality
7 table for such policies issued on or after the operative date
8 of section 508.37, subsection 5, paragraph ~~"c"~~ "a", and prior to
9 the operative date of section 508.37, subsection 5, paragraph
10 "c", provided that for any category of policies issued on female
11 risks, all modified net premiums and present values referred to
12 in this section may be calculated according to an age not more
13 than six years younger than the actual age of the insured.

14 Sec. 6. Section 508.36, subsection 6, paragraph a,
15 unnumbered paragraph 1, Code 2014, is amended to read as
16 follows:

17 Except as otherwise provided in subsections 7, 10, and ~~12~~
18 11, reserves calculated according to the commissioner's reserve
19 valuation method, for the life insurance and endowment benefits
20 of policies providing for a uniform amount of insurance and
21 requiring the payment of uniform premiums, shall be the excess,
22 if any, of the present value, at the date of valuation, of
23 future guaranteed benefits provided for by such policies, over
24 the present value, at the date of valuation, of any future
25 modified net premiums for such policies. The modified net
26 premiums for such policy is the uniform percentage of the
27 respective contract premiums for the benefits such that the
28 present value, at the date of issue of the policy, of all
29 modified net premiums shall be equal to the sum of the present
30 value, at the date of valuation, of such benefits provided
31 for by the policy and the excess of the amount determined in
32 subparagraph (1) over the amount determined in subparagraph
33 (2), as follows:

34 Sec. 7. Section 508.36, subsection 10, paragraph a, Code
35 2014, is amended to read as follows:

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1 a. If in any contract year the gross premium charged by a
2 ~~life insurance~~ company on a policy or contract is less than the
3 valuation net premium for the policy or contract, as calculated
4 by the method used in calculating the reserve for such policy
5 or contract but using the minimum valuation standards of
6 mortality and rate of interest, the minimum reserve required
7 for such policy or contract is the greater of either the
8 reserve calculated according to the mortality table, rate of
9 interest, and method actually used for such policy or contract,
10 or the reserve calculated by the method actually used for such
11 policy or contract but using the minimum valuation standards
12 of mortality and rate of interest and replacing the valuation
13 net premium by the actual gross premium in each contract year
14 for which the valuation net premium exceeds the actual gross
15 premium. The minimum valuation standards of mortality and rate
16 of interest referred to in this section are those standards
17 established in subsections 4 and 5.

18 Sec. 8. Section 508.36, subsection 12, Code 2014, is amended
19 to read as follows:

20 12. *Minimum standards for accident and health ~~(disability,~~
21 ~~accident, and sickness)~~ plans insurance policies or
22 contracts. ~~The commissioner shall adopt rules containing~~
23 ~~the minimum standards applicable to the valuation of health,~~
24 ~~disability, and sickness and accident plans.~~ For accident and
25 health insurance policies or contracts issued on or after the
26 operative date of the valuation manual, the standard prescribed
27 in the valuation manual is the minimum standard of valuation
28 required under subsection 1, paragraph "b". For health,
29 disability, and sickness and accident insurance policies or
30 contracts issued on or after July 1, 1973, and prior to the
31 operative date of the valuation manual, the minimum standard of
32 valuation is the standard adopted by the commissioner by rule.*

33 Sec. 9. Section 508.36, Code 2014, is amended by adding the
34 following new subsections:

35 NEW SUBSECTION. 13. *Valuation manual for policies or*

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1 *contracts issued on or after operative date of valuation manual.*

2 *a.* For policies or contracts issued on or after the
3 operative date of the valuation manual, the standard prescribed
4 in the valuation manual is the minimum standard of valuation
5 required under subsection 1, paragraph "b", except as provided
6 under paragraph "e" or "g" of this subsection.

7 *b.* The operative date of the valuation manual is January
8 1 of the first calendar year following the first July 1 as of
9 which all of the following have occurred:

10 (1) The valuation manual has been adopted by the NAIC
11 by an affirmative vote of at least forty-two members, or
12 three-fourths of the members voting, whichever is greater.

13 (2) The standard valuation law, as amended by the NAIC in
14 2009, or legislation including substantially similar terms and
15 provisions, has been enacted by states representing greater
16 than seventy-five percent of the direct premiums written as
17 reported in the following annual statements submitted for 2008:

18 (a) Life, accident, and health insurance annual statements.

19 (b) Health insurance annual statements.

20 (c) Fraternal benefit society annual statements.

21 (3) The standard valuation law, as amended by the NAIC in
22 2009, or legislation including substantially similar terms
23 and provisions, has been enacted by at least forty-two of the
24 following fifty-five jurisdictions: the fifty states of the
25 United States, American Samoa, the American Virgin Islands, the
26 District of Columbia, Guam, and Puerto Rico.

27 *c.* Unless a change in the valuation manual specifies a
28 later effective date, changes to the valuation manual shall
29 be effective on January 1 following the date when all of the
30 following have occurred:

31 (1) The changes to the valuation manual have been adopted by
32 the NAIC by an affirmative vote representing:

33 (a) At least three-fourths of the members of the NAIC
34 voting, but not less than a majority of the total membership.

35 (b) Members of the NAIC representing jurisdictions totaling

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1 greater than seventy-five percent of the direct premiums
2 written as reported in the following annual statements most
3 recently available prior to the vote in subparagraph division
4 (a):
5 (i) Life, accident, and health insurance annual statements.
6 (ii) Health insurance annual statements.
7 (iii) Fraternal benefit society annual statements.
8 d. The valuation manual shall specify all of the following:
9 (1) Minimum valuation standards for and definitions of
10 the policies or contracts subject to subsection 1, paragraph
11 "b". Such minimum valuation standards shall include all of the
12 following:
13 (a) The commissioner's reserve valuation method for life
14 insurance contracts, other than annuity contracts, subject to
15 subsection 1, paragraph "b".
16 (b) The commissioner's annuity reserve valuation method for
17 annuity contracts subject to subsection 1, paragraph "b".
18 (c) Minimum reserves for all other policies of contracts
19 subject to subsection 1, paragraph "b".
20 (2) Which policies or contracts or types of policies or
21 contracts are subject to the requirements of a principle-based
22 valuation in subsection 14, paragraph "a", and the minimum
23 valuation standards consistent with those requirements.
24 (3) For policies and contracts subject to a principle-based
25 valuation under subsection 14, specify all of the following:
26 (a) Requirements for the format of reports to the
27 commissioner under subsection 14 which shall include
28 information necessary to determine if the valuation is
29 appropriate and in compliance with this section.
30 (b) Assumptions that are prescribed for risks over which the
31 company does not have significant control or influence.
32 (c) Procedures for corporate governance and oversight of
33 the actuarial function, and a process for appropriate waiver or
34 modification of such procedures.
35 (4) For policies or contracts not subject to a

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1 principle-based valuation under subsection 14, the minimum
2 valuation standard shall do either of the following:

3 (a) Be consistent with the minimum standard of valuation
4 prior to the operative date of the valuation manual.

5 (b) Develop reserves that quantify the benefits and
6 guarantees, and the funding, associated with the policies or
7 contracts and their risks at a level of conservatism that
8 reflects conditions that include unfavorable events that have a
9 reasonable probability of occurring.

10 (5) Other requirements, including but not limited to
11 those relating to reserve methods, models for measuring
12 risk, generation of economic scenarios, assumptions, margins,
13 use of company experience, risk measurement, disclosure,
14 certifications, reports, actuarial opinions and memorandums,
15 transition rules, and internal controls.

16 (6) The data and form of the data required under subsection
17 15, to whom the data must be submitted, and other specified
18 requirements, including data analyses and reporting of
19 analyses.

20 e. In the absence of a specific valuation requirement or
21 if a specific valuation requirement in the valuation manual
22 is not, in the opinion of the commissioner, in compliance
23 with this subsection, then the company shall, with respect to
24 such requirements, comply with minimum valuation standards
25 prescribed by the commissioner by rule.

26 f. The commissioner may engage a qualified actuary, at the
27 expense of the company, to perform an actuarial examination of
28 the company and opine on the appropriateness of any reserve
29 assumption or method used by the company, or to review and
30 opine on a company's compliance with any requirements set forth
31 in this section. The commissioner may rely upon the opinion,
32 regarding provisions contained in this section, of a qualified
33 actuary engaged by the commissioner of another state, district,
34 or territory of the United States. As used in this paragraph,
35 "engage" includes employment of and contracting with a qualified

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1 actuary.

2 *g.* The commissioner may require a company to change any
3 assumption or method that in the opinion of the commissioner
4 is necessary in order to comply with the requirements of the
5 valuation manual or this section and the company shall adjust
6 the reserves as required by the commissioner. The commissioner
7 may take other disciplinary action as authorized pursuant to
8 section 505.8.

9 NEW SUBSECTION. 14. *Requirements of principle-based*
10 *valuation.*

11 *a.* A company shall establish reserves using a
12 principle-based valuation that meets all of the following
13 conditions for policies or contracts as specified in the
14 valuation manual:

15 (1) Quantifies the benefits and guarantees, and the
16 funding, associated with the policies or contracts and the
17 risks of the policies or contracts at a level of conservatism
18 that reflects conditions that include unfavorable events that
19 have a reasonable probability of occurring during the lifetime
20 of the policies or contracts. For policies or contracts with
21 a significant tail risk, the valuation reflects conditions
22 appropriately adverse to quantify the tail risk.

23 (2) Incorporates assumptions, risk analysis methods, and
24 financial models and management techniques that are consistent
25 with, but not necessarily identical to, those utilized
26 within the company's overall risk assessment process, while
27 recognizing potential differences in financial reporting
28 structures and any prescribed assumptions or methods.

29 (3) Incorporates assumptions that are derived in one of the
30 following manners:

31 (a) The assumption is prescribed in the valuation manual.

32 (b) For assumptions that are not prescribed in the valuation
33 manual, the assumptions shall meet either of the following
34 requirements:

35 (i) Be established utilizing the company's available

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1 experience, to the extent that the experience is relevant and
2 statistically credible.

3 (ii) To the extent that company data is not available,
4 relevant, or statistically credible, be established utilizing
5 other relevant, statistically credible experience.

6 (4) Provides margins for uncertainty including adverse
7 deviation and estimation error, such that the greater the
8 uncertainty the larger the margin and resulting reserve.

9 b. A company using a principle-based valuation for one
10 or more policies or contracts subject to this subsection
11 as specified in the valuation manual shall do all of the
12 following:

13 (1) Establish procedures for corporate governance and
14 oversight of the actuarial valuation function consistent with
15 those described in the valuation manual.

16 (2) Provide to the commissioner and the board of directors
17 an annual certification of the effectiveness of the company's
18 internal controls with respect to the principle-based
19 valuation. Such controls shall be designed to assure that
20 all material risks inherent in the liabilities and associated
21 assets subject to such valuation are included in the valuation,
22 and that the valuation is made in accordance with the valuation
23 manual. The certification shall be based on the internal
24 controls in place as of the end of the preceding calendar year.

25 (3) Develop, and file with the commissioner upon request, a
26 principle-based valuation report that complies with standards
27 prescribed in the valuation manual.

28 c. A principle-based valuation may include a prescribed
29 formulaic reserve component.

30 NEW SUBSECTION. 15. *Experience reporting for policies*
31 *or contracts in force on or after operative date of valuation*
32 *manual.* A company shall submit mortality, morbidity,
33 policyholder behavior, or expense experience and other data as
34 prescribed in the valuation manual.

35 NEW SUBSECTION. 16. *Confidentiality.*

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1 *a. Definition.* For purposes of this subsection,
2 "confidential information" means all of the following:
3 (1) A memorandum in support of an opinion submitted
4 under subsection 2 and any other documents, materials, or
5 other information, including but not limited to all working
6 papers, and copies thereof, created, produced, obtained by, or
7 disclosed to the commissioner or any other person in connection
8 with the memorandum.
9 (2) All documents, materials, or other information,
10 including but not limited to all working papers, and copies
11 thereof, created, produced, obtained by, or disclosed
12 to the commissioner or any other person in the course of
13 an examination made under subsection 13, paragraph "f";
14 provided, however, that if an examination report or other
15 materials prepared in connection with an examination made
16 under chapter 507 is not held as private and confidential
17 information under section 507.14, an examination report or
18 other material prepared in connection with an examination made
19 under subsection 13, paragraph "f", shall not be "confidential
20 information" to the same extent as if such examination report or
21 other material had been prepared under chapter 507.
22 (3) Any reports, documents, materials, or other information
23 developed by a company in support of, or in connection with,
24 an annual certification by the company under subsection 14,
25 paragraph "b", subparagraph (2), evaluating the effectiveness
26 of the company's internal controls with respect to a
27 principle-based valuation and any other documents, materials,
28 or other information, including but not limited to all working
29 papers, and copies thereof, created, produced, obtained by, or
30 disclosed to the commissioner or any other person in connection
31 with such reports, documents, materials, or other information.
32 (4) Any principle-based valuation report developed under
33 subsection 14, paragraph "b", subparagraph (3), and any other
34 documents, materials, or other information, including but not
35 limited to all working papers, and copies thereof, created,

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1 produced, obtained by, or disclosed to the commissioner or any
2 other person in connection with such report.

3 (5) Any documents, materials, data, or other information
4 submitted by a company under subsection 15, collectively known
5 as "*experience data*" or "*experience materials*", and any other
6 documents, materials, data, or other information, including
7 but not limited to all working papers, and copies thereof,
8 created or produced in connection with such experience data,
9 in each case that includes any potentially company-identifying
10 or personally identifiable information, that is provided to or
11 obtained by the commissioner, together with any "*experience*
12 *data*" or "*experience materials*", and any other documents,
13 materials, data, or other information, including but not
14 limited to all working papers, and copies thereof, created,
15 produced, obtained by, or disclosed to the commissioner or
16 any other person in connection with such experience data or
17 experience materials.

18 *b. Privilege for, and confidentiality of, confidential*
19 *information.*

20 (1) Except as provided in this subsection, a company's
21 confidential information is confidential by law and privileged,
22 and shall not be subject to chapter 22, shall not be subject
23 to subpoena, and shall not be subject to discovery or
24 admissible in evidence in any private civil action; provided,
25 however, that the commissioner is authorized to use the
26 confidential information in the furtherance of any regulatory
27 or legal action brought against the company as a part of the
28 commissioner's official duties.

29 (2) Neither the commissioner nor any person who received
30 confidential information while acting under the authority of
31 the commissioner shall be permitted or required to testify
32 in any private civil action concerning any confidential
33 information.

34 (3) In order to assist in the performance of the
35 commissioner's duties, the commissioner may share confidential

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1 information as follows:

2 (a) With other state, federal, or international regulatory
3 agencies and with the NAIC and its affiliates and subsidiaries.

4 (b) In the case of confidential information specified
5 in paragraph "a", subparagraphs (1) and (4) only, with the
6 actuarial board for counseling and discipline or its successor
7 upon request stating that the confidential information
8 is required for the purpose of professional disciplinary
9 proceedings, and with state, federal, and international law
10 enforcement officials.

11 (c) The sharing of confidential information under
12 subparagraph division (a) or (b) requires that the recipient
13 of the confidential information agrees, and has the legal
14 authority to agree to maintain the confidentiality and
15 privileged status of such documents, materials, data, and
16 other information in the same manner and to the same extent as
17 required for the commissioner.

18 (4) The commissioner may receive documents, materials,
19 data, and other information, including otherwise confidential
20 and privileged documents, materials, data, or information, from
21 the NAIC and its affiliates and subsidiaries, from regulatory
22 or law enforcement officials of other foreign or domestic
23 jurisdictions, and from the actuarial board for counseling
24 and discipline, or its successor, and shall maintain as
25 confidential or privileged any documents, materials, data, or
26 other information received with notice or the understanding
27 that it is confidential or privileged under the laws of the
28 jurisdiction that is the source of the documents, materials,
29 data, or other information.

30 (5) The commissioner may enter into agreements governing
31 the sharing and use of information consistent with this
32 paragraph "b".

33 (6) No waiver of any applicable privilege or claim
34 of confidentiality in the confidential information shall
35 occur as a result of disclosure to the commissioner under

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1 this subsection or as a result of sharing as authorized in
2 subparagraph (3).

3 (7) A privilege established under the law of any state or
4 jurisdiction that is substantially similar to the privilege
5 established in this paragraph "b" shall be available and
6 enforced in any proceeding in, and in any court of, this state.

7 (8) For the purposes of this subsection, "regulatory
8 agency", "law enforcement agency", and the "NAIC", include but
9 are not limited to their employees, agents, consultants, and
10 contractors.

11 *c. Sharing of confidential information.* Notwithstanding
12 paragraph "b", any confidential information specified in
13 paragraph "b" may be shared as follows:

14 (1) May be subject to subpoena for the purpose of defending
15 an action seeking damages from the appointed actuary submitting
16 the related memorandum in support of an opinion submitted under
17 subsection 2 or a principle-based valuation report developed
18 under subsection 14, paragraph "b", subparagraph (3), by reason
19 of an action required by this section or by rules promulgated
20 under this section.

21 (2) May otherwise be released by the commissioner with the
22 written consent of the company.

23 (3) Once any portion of a memorandum in support of an
24 opinion submitted under subsection 2 or a principle-based
25 valuation report developed under subsection 14, paragraph "b",
26 subparagraph (3), is cited by a company in its marketing or is
27 publicly volunteered to or before a governmental agency other
28 than a state insurance department or is released by the company
29 to the news media, all portions of such memorandum or report
30 shall no longer be confidential information.

31 NEW SUBSECTION. 17. *Single state exemption.*

32 *a.* The commissioner may exempt specific product forms or
33 product lines of a domestic company that is licensed and doing
34 business only in this state from the requirements of subsection
35 13 provided that all of the following have occurred:

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1 (1) The commissioner has issued an exemption in writing to
2 the company and has not subsequently revoked the exemption in
3 writing.

4 (2) The company computes reserves using assumptions and
5 methods used prior to the operative date of the valuation
6 manual in addition to any requirements established by the
7 commissioner and promulgated by rule.

8 b. For any company granted an exemption under this
9 subsection, subsections 2 through 12 shall be applicable. With
10 respect to any company applying this exemption, any reference
11 to subsection 13 found in subsections 2 through 12 shall not
12 be applicable.

13 Sec. 10. Section 508.37, Code 2014, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 01. As used in this section, "*operative*
16 *date of the valuation manual*" means the same as provided in
17 section 508.36, subsection 13.

18 Sec. 11. Section 508.37, subsection 6, paragraph h,
19 subparagraph (6), Code 2014, is amended to read as follows:

20 (6) Any For policies issued prior to the operative date
21 of the valuation manual, any commissioners' standard ordinary
22 mortality tables adopted after 1980 by the national association
23 of insurance commissioners and approved by rule adopted by the
24 commissioner for use in determining the minimum nonforfeiture
25 standard may be substituted for the Commissioners 1980 Standard
26 Ordinary Mortality Table with or without Ten-Year Select
27 Mortality Factors or for the Commissioners 1980 Extended Term
28 Insurance Table.

29 Sec. 12. Section 508.37, subsection 6, paragraph h, Code
30 2014, is amended by adding the following new subparagraph:

31 NEW SUBPARAGRAPH. (07) For policies issued on or after the
32 operative date of the valuation manual, the valuation manual
33 shall provide the commissioners' standard mortality table for
34 use in determining the minimum forfeiture standard that may
35 be substituted for the Commissioners' 1980 Standard Ordinary

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1 Mortality Table with or without Ten-year Select Mortality
2 Factors or for the Commissioners' 1980 Extended Term Insurance
3 Table. If the commissioner approves by rule the Commissioners'
4 Standard Ordinary Mortality Table adopted by the national
5 association of insurance commissioners for use in determining
6 the minimum nonforfeiture standard for policies or contracts
7 issued on or after the operative date of the valuation manual,
8 then that minimum nonforfeiture standard supersedes the minimum
9 nonforfeiture standard provided by the valuation manual.

10 Sec. 13. Section 508.37, subsection 6, paragraph i, Code
11 2014, is amended to read as follows:

12 i. The nonforfeiture interest rate is defined as follows:

13 (1) For policies issued prior to the operative date of
14 the valuation manual, the nonforfeiture interest rate per annum
15 for any policy issued in a particular calendar year shall be
16 equal to one hundred twenty-five percent of the calendar year
17 statutory valuation interest rate for the policy as defined
18 in section 508.36, rounded to the nearest one quarter of one
19 percent.

20 (2) For policies issued on or after the operative date of
21 the valuation manual, the nonforfeiture interest rate per annum
22 for any policy issued in a particular calendar year shall be
23 provided by the valuation manual.

24 Sec. 14. APPLICABILITY. This Act applies on and after the
25 operative date of the valuation manual as provided in section
26 508.36, as amended in this Act.

27 EXPLANATION

28 The inclusion of this explanation does not constitute agreement with
29 the explanation's substance by the members of the general assembly.

30 This Act relates to standard valuation and standard
31 forfeiture provisions for life insurance policies or contracts
32 and includes applicability provisions. The bill includes
33 provisions of model acts adopted by the national association
34 of insurance commissioners (NAIC) pertaining to such standard
35 valuations and forfeitures. The bill refers to a valuation

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1 manual which is a manual of valuation instructions adopted by
2 the NAIC.

3 Code section 508.36 concerning standard valuations for
4 life insurance policies or contracts is amended to include
5 definitions that are applicable on or after the operative date
6 of the valuation manual. Code section 508.36 is also amended
7 to provide that specified existing valuation standards apply
8 to policies and contracts issued prior to the operative date
9 of the valuation manual and specified new standards apply on
10 or after the operative date of the valuation manual. The bill
11 includes changes to valuation standards pertaining to reserve
12 valuation, actuarial opinions of reserves, computations of
13 minimum standards, and minimum standards for accident and
14 health insurance policies or contracts.

15 New standards are added pertaining to minimum standards for
16 accident and health insurance; use of the valuation manual;
17 requirements of a principle-based valuation; experience
18 reporting for policies or contracts in force or effect after
19 the operative date of the valuation manual; confidentiality
20 of documents, materials, or other information relating to an
21 actuarial opinion of reserves; and single state exemptions of
22 certain product forms or lines of insurance.

23 New Code section 508.36, subsection 13, paragraph "b", sets
24 forth the conditions which must be met before the valuation
25 manual becomes operative. The operative date of the manual
26 will occur on January 1 of the first calendar year following
27 the first July 1 after all of the following events have
28 occurred: (1) the valuation manual has been adopted by
29 the NAIC by an affirmative vote of at least 42 members or
30 three-fourths of the members voting, whichever is greater; (2)
31 the standard valuation law, as amended by the NAIC in 2009,
32 or substantially similar legislation, has been enacted by
33 states representing greater than 75 percent of specified direct
34 premiums written as reported in annual statements for 2008; (3)
35 the standard valuation law, as amended by the NAIC in 2009,

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1 or substantially similar legislation, has been enacted by at
2 least 42 of the 55 jurisdictions including the 50 states of the
3 United States, American Samoa, the American Virgin Islands, the
4 District of Columbia, Guam, and Puerto Rico.

5 Code section 508.37 concerning standard forfeiture
6 provisions applicable to life insurance policies or contracts
7 is amended to provide that specified existing standards apply
8 to policies or contracts issued prior to the operative date
9 of the valuation manual and specified new standards apply to
10 policies issued on or after the operative date of the manual.

11 The bill is applicable on and after the operative date of the
12 new NAIC valuation manual.



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House File 2220 - Introduced

HOUSE FILE 2220
BY SALMON

A BILL FOR

1 An Act increasing mandatory minimum periods of
2 confinement and fines for first, second, and third
3 operating-while-intoxicated offenses.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5433YH (3) 85
rh/nh



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H.F. 2220

1 Section 1. Section 321J.2, subsection 3, paragraph a, Code
2 2014, is amended to read as follows:

3 a. A minimum period of imprisonment in the county jail
4 of ~~forty-eight hours~~ seven days, but not to exceed one year,
5 to be served as ordered by the court, less credit for any
6 time the person was confined in a jail or detention facility
7 following arrest or for any time the person spent in a
8 court-ordered operating-while-intoxicated program that provides
9 law enforcement security. However, the court, in ordering
10 service of the sentence and in its discretion, may accommodate
11 the defendant's work schedule.

12 Sec. 2. Section 321J.2, subsection 3, paragraph c,
13 unnumbered paragraph 1, Code 2014, is amended to read as
14 follows:

15 Assessment of a minimum fine of ~~one three thousand two~~
16 seven hundred fifty dollars. ~~However, in the discretion of~~
17 ~~the court, if no personal or property injury has resulted from~~
18 ~~the defendant's actions, the court may waive up to six hundred~~
19 ~~twenty-five dollars of the fine when the defendant presents to~~
20 ~~the court at the end of the minimum period of ineligibility~~
21 ~~a temporary restricted license issued pursuant to section~~
22 ~~321J.20.~~

23 Sec. 3. Section 321J.2, subsection 4, paragraphs a and b,
24 Code 2014, are amended to read as follows:

25 a. A minimum period of imprisonment in the county jail or
26 community-based correctional facility of ~~seven~~ thirty-five days
27 but not to exceed two years.

28 b. Assessment of a minimum fine of ~~one thousand eight~~
29 ~~hundred seventy-five dollars and a maximum fine of six thousand~~
30 ~~two hundred fifty~~ ten thousand dollars. Surcharges and fees
31 shall be assessed pursuant to chapter 911.

32 Sec. 4. Section 321J.2, subsection 5, paragraph a,
33 unnumbered paragraph 1, Code 2014, is amended to read as
34 follows:

35 Commitment to the custody of the director of the department

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1 of corrections for ~~an indeterminate term not to exceed five~~
2 ~~years, with~~ a mandatory minimum term of ~~thirty days~~ five years.

3 Sec. 5. Section 321J.2, subsection 5, paragraph b, Code
4 2014, is amended to read as follows:

5 b. Assessment of a minimum fine of ~~three thousand one~~
6 ~~hundred twenty-five dollars and a maximum fine of nine thousand~~
7 ~~three hundred seventy-five~~ twenty-five thousand dollars.

8 Surcharges and fees shall be assessed pursuant to chapter 911.

9 EXPLANATION

10 The inclusion of this explanation does not constitute agreement with
11 the explanation's substance by the members of the general assembly.

12 This bill increases mandatory minimum periods of
13 confinement and fines for first, second, and third
14 operating-while-intoxicated (OWI) offenses under Code section
15 321J.2.

16 Under current law, a person convicted of a first offense
17 OWI must serve a minimum 48-hour period of imprisonment in the
18 county jail not to exceed one year and is assessed a fine of
19 \$1,250; however, if no personal or property injury resulted
20 from the defendant's actions, the court has the discretion
21 to waive up to \$625 of the fine when the defendant presents
22 a temporary restricted license at the end of any period of
23 ineligibility. The bill increases the mandatory minimum period
24 of confinement to seven days and increases the minimum fine to
25 \$3,750.

26 Under current law, a person convicted of a second offense OWI
27 is required to serve a mandatory minimum period of imprisonment
28 in the county jail or community-based correctional facility
29 of seven days, not to exceed two years, and is assessed a
30 minimum fine of \$1,875 and a maximum fine of \$6,250. The bill
31 increases the mandatory minimum period of confinement to 35
32 days and increases the fine to \$10,000.

33 Under current law, a person convicted of a third offense OWI
34 is committed to the custody of the director of the department
35 of corrections for an indeterminate term not to exceed five

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1 years, with a mandatory minimum term of 30 days, and is
2 assessed a minimum fine of \$3,125 and a maximum fine of \$9,375.
3 The bill increases the mandatory minimum period of confinement
4 to five years and increases the minimum fine to \$25,000.



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House File 2221 - Introduced

HOUSE FILE 2221
BY GAINES and ABDUL-SAMAD

A BILL FOR

1 An Act renaming the commission and office on the status of
2 African Americans to include Africans.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5922HH (2) 85
ec/sc



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1 Section 1. Section 7E.5, subsection 1, paragraph s, Code
2 2014, is amended to read as follows:

3 s. The department of human rights, created in section
4 216A.1, which has primary responsibility for services relating
5 to Latino persons, women, persons with disabilities, community
6 action agencies, criminal and juvenile justice planning,
7 Africans and African Americans, deaf and hard-of-hearing
8 persons, persons of Asian and Pacific Islander heritage, and
9 Native Americans.

10 Sec. 2. Section 216A.1, subsection 1, paragraph a,
11 subparagraph (5), Code 2014, is amended to read as follows:

12 (5) Office on the status of Africans and African Americans.

13 Sec. 3. Section 216A.3, subsection 2, paragraph a, Code
14 2014, is amended to read as follows:

15 a. The voting members shall consist of nine voting members
16 selected by each of the permanent commissions within the
17 department, and two voting members, appointed by the governor.
18 For purposes of this paragraph "a", "*permanent commissions*"
19 means the commission of Latino affairs, commission on the
20 status of women, commission of persons with disabilities,
21 commission on community action agencies, commission of deaf
22 services, criminal and juvenile justice planning advisory
23 council, commission on the status of Africans and African
24 Americans, commission of Asian and Pacific Islander affairs,
25 and commission of Native American affairs. The term of office
26 for voting members is four years.

27 Sec. 4. Section 216A.4, subsection 4, Code 2014, is amended
28 to read as follows:

29 4. "*Underrepresented*" means the historical marginalization
30 of populations or groups in the United States and Iowa,
31 including but not limited to Africans and African Americans,
32 Asian and Pacific Islanders, persons who are deaf or hard of
33 hearing, persons with disabilities, Latinos, Native Americans,
34 women, persons who have low socioeconomic status, at-risk
35 youth, and adults or juveniles with a criminal history.

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1 Sec. 5. Section 216A.132, subsection 1, paragraph b, Code
2 2014, is amended to read as follows:

3 b. The departments of human services, corrections, and
4 public safety, the office on the status of Africans and African
5 Americans, the department of public health, the chairperson of
6 the board of parole, the attorney general, the state public
7 defender, and the governor's office of drug control policy
8 shall each designate a person to serve on the council.

9 Sec. 6. Section 216A.141, subsections 1 and 2, Code 2014,
10 are amended to read as follows:

11 1. "Commission" means the commission on the status of
12 Africans and African Americans.

13 2. "Office" means the office on the status of Africans and
14 African Americans of the department of human rights.

15 Sec. 7. Section 216A.142, subsection 1, Code 2014, is
16 amended to read as follows:

17 1. The commission on the status of Africans and African
18 Americans is established and shall consist of seven members
19 appointed by the governor, subject to confirmation by the
20 senate. All members shall reside in Iowa. At least five
21 members shall be individuals who are African or African
22 American.

23 Sec. 8. Section 216A.143, subsection 1, Code 2014, is
24 amended to read as follows:

25 1. Study the opportunities for and changing needs of the
26 African and African American ~~community~~ communities in this
27 state.

28 Sec. 9. Section 216A.146, Code 2014, is amended to read as
29 follows:

30 **216A.146 Office on the status of Africans and African**
31 **Americans.**

32 The office on the status of Africans and African Americans is
33 established and shall do the following:

34 1. Serve as the central permanent agency to advocate for
35 Africans and African Americans.

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- 1 2. Coordinate and cooperate with the efforts of state
2 departments and agencies to serve the needs of Africans and
3 African Americans in participating fully in the economic,
4 social, and cultural life of the state, and provide direct
5 assistance to individuals who request it.
- 6 3. Develop, coordinate, and assist other public or private
7 organizations which serve Africans and African Americans.
- 8 4. Serve as an information clearinghouse on programs and
9 agencies operating to assist Africans and African Americans.

EXPLANATION

11 The inclusion of this explanation does not constitute agreement with
12 the explanation's substance by the members of the general assembly.

13 This bill renames the commission and office on the status of
14 African Americans to the commission and office on the status
15 of Africans and African Americans. The bill provides that the
16 duties of the commission, its office, and the department of
17 human rights includes Africans as well as African Americans.



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House File 2222 - Introduced

HOUSE FILE 2222
BY GAINES and ABDUL-SAMAD

A BILL FOR

1 An Act establishing a point of contact within the office on the
2 status of African Americans concerning the African community
3 in this state.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5969HH (2) 85
ec/rj



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H.F. 2222

1 Section 1. Section 216A.146, Code 2014, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 5. Establish a point of contact within the
4 office to deal with issues and disputes concerning the African
5 community in this state.

6 EXPLANATION

7 The inclusion of this explanation does not constitute agreement with
8 the explanation's substance by the members of the general assembly.

9 This bill requires the office on the status of African
10 Americans to establish a point of contact within the office to
11 deal with issues concerning the African community in Iowa.



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House File 2223 - Introduced

HOUSE FILE 2223
BY COMMITTEE ON VETERANS
AFFAIRS

(SUCCESSOR TO HSB 534)

A BILL FOR

1 An Act relating to the national guard educational assistance
2 program by removing residency requirements and providing for
3 the nonreversion of certain funds, and including effective
4 date provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5264HV (1) 85
aw/sc



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H.F. 2223

1 Section 1. Section 261.86, subsection 1, paragraph a, Code
2 2014, is amended to read as follows:

3 a. ~~Is a resident of the state and~~ a member of an Iowa
4 army or air national guard unit while receiving educational
5 assistance pursuant to this section.

6 Sec. 2. Section 261.86, subsection 6, Code 2014, is amended
7 to read as follows:

8 6. Notwithstanding section 8.33, ~~until one year after the~~
9 ~~date the president of the United States or the Congress of~~
10 ~~the United States declares a cessation of hostilities ending~~
11 ~~operation Iraqi freedom, operation new dawn, and operation~~
12 ~~enduring freedom, of those~~ funds appropriated for purposes of
13 this section ~~which~~ that remain unencumbered or unobligated
14 at the close of the fiscal year for which the funds were
15 appropriated, an amount not to exceed five percent of the
16 amount appropriated shall not revert but shall be available for
17 expenditure for the following fiscal year for purposes of this
18 section.

19 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
20 immediate importance, takes effect upon enactment.

21 EXPLANATION

22 The inclusion of this explanation does not constitute agreement with
23 the explanation's substance by the members of the general assembly.

24 This bill relates to the national guard educational
25 assistance program by removing residency restrictions and
26 providing for the nonreversion of certain funds.

27 Current law requires, in part, that for an individual to be
28 eligible for the national guard educational assistance program
29 that the individual be a member of an Iowa army or air national
30 guard unit and be a resident of the state while receiving
31 assistance through the program. The bill removes the Iowa
32 residency requirement.

33 Current law also provides that up until one year after
34 the president of the United States declares the cessation of
35 hostilities in certain conflicts, funds appropriated for the

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1 program that are unencumbered or unobligated at the close
2 of a fiscal year shall be available for expenditure for the
3 following fiscal year for the purposes of the program. The
4 bill limits this nonreversion provision to a maximum of 5
5 percent of the funds appropriated and removes the presidential
6 declaration limitation on the nonreversion of funds.
7 The bill takes effect upon enactment.



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House File 2224 - Introduced

HOUSE FILE 2224
BY COMMITTEE ON VETERANS
AFFAIRS

(SUCCESSOR TO HSB 615)

A BILL FOR

1 An Act requiring reporting on certain educational credits
2 awarded to veterans.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6117HV (1) 85
aw/sc



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H.F. 2224

1 Section 1. Section 260C.14, Code 2014, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 24. *a.* Beginning December 15, 2015,
4 annually file a report with the governor and the general
5 assembly providing information and statistics for the previous
6 five academic years on the number of students who are veterans
7 per year who received education credit for military education,
8 training, and service, that number as a percentage of veterans
9 known to be enrolled at the college, the average number of
10 credits received by students, and the average number of credits
11 applied towards the award of a certificate, competency-based
12 credential, postsecondary diploma, or associate degree.

13 *b.* For purposes of this subsection, "veteran" means a
14 veteran as defined in section 35.1.

15 Sec. 2. Section 262.9, Code 2014, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 38. *a.* Beginning December 15, 2015,
18 annually file a report with the governor and the general
19 assembly providing information and statistics for the previous
20 five academic years on the number of students who are veterans
21 per year who received education credit for military education,
22 training, and service, that number as a percentage of veterans
23 known to be enrolled at the institution, the average number
24 of credits received by students, and the average number of
25 credits applied towards the award or completion of a course of
26 instruction, postsecondary diploma, degree, or other evidences
27 of distinction.

28 *b.* For purposes of this subsection, "veteran" means a
29 veteran as defined in section 35.1.

30 EXPLANATION

31 The inclusion of this explanation does not constitute agreement with
32 the explanation's substance by the members of the general assembly.

33 This bill requires certain reporting related to
34 postsecondary educational credits awarded to veterans for
35 military education, training, and experience.

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1 The bill requires that the board of directors of each
2 community college file an annual report, beginning December 15,
3 2015, with the governor and the general assembly, including
4 certain statistics relating to the award of educational credits
5 to veterans for military education, training, and experience
6 for the prior five academic years.

7 The bill also requires that the board of regents file an
8 annual report, beginning December 15, 2015, with the governor
9 and the general assembly, including certain statistics relating
10 to the award of educational credits to veterans for military
11 education, training, and service for the prior five academic
12 years.



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House File 2225 - Introduced

HOUSE FILE 2225
BY SCHULTZ

A BILL FOR

1 An Act directing the deposit of wagering tax revenues from
2 certain licensees to the road use tax fund.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6083YH (2) 85
ec/tm



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H.F. 2225

1 Section 1. Section 99F.11, subsection 3, unnumbered
2 paragraph 1, Code 2014, is amended to read as follows:
3 The For licensees authorized to conduct gambling games
4 pursuant to this chapter as of January 1, 2014, the taxes
5 imposed by this section shall be paid by the licensee to the
6 treasurer of state within ten days after the close of the day
7 when the wagers were made and shall be distributed as follows:

8 Sec. 2. Section 99F.11, Code 2014, is amended by adding the
9 following new subsection:

10 NEW SUBSECTION. 4. For licensees not authorized to conduct
11 gambling games pursuant to this chapter as of January 1, 2014,
12 the taxes imposed by this section shall be paid by the licensee
13 to the treasurer of state within ten days after the close of
14 the day when the wagers were made and shall be deposited in the
15 road use tax fund created in section 312.1.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with
18 the explanation's substance by the members of the general assembly.

19 This bill provides that receipts from the wagering tax
20 imposed on gambling games conducted by a licensee that was not
21 authorized to conduct gambling games as of January 1, 2014,
22 shall be deposited in the road use tax fund.



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House File 2226 - Introduced

HOUSE FILE 2226
BY COMMITTEE ON ENVIRONMENTAL
PROTECTION

(SUCCESSOR TO HSB 564)

A BILL FOR

1 An Act relating to certain conditional permits issued by the
2 department of natural resources relating to air and water
3 quality.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5167HV (1) 85
tm/nh



Iowa General Assembly
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H.F. 2226

1 Section 1. Section 455B.105, subsection 11, paragraph a,
2 Code 2014, is amended to read as follows:
3 a. Adopt, by rule, procedures and forms necessary to
4 implement the provisions of this chapter and chapters 459,
5 459A, and 459B relating to permits, ~~conditional permits,~~ and
6 general permits. The commission may also adopt, by rule, a
7 schedule of fees for permit ~~and conditional permit~~ applications
8 and a schedule of fees which may be periodically assessed
9 for administration of permits ~~and conditional permits~~. In
10 determining the fee schedules, the commission shall consider:
11 (1) The state's reasonable cost of reviewing applications,
12 issuing permits ~~and conditional permits,~~ and checking
13 compliance with the terms of the permits.
14 (2) The relative benefits to the applicant and to the
15 public of permit ~~and conditional permit~~ review, issuance, and
16 monitoring compliance. It is the intention of the legislature
17 that permit fees shall not cover any costs connected with
18 correcting violation of the terms of any permit and shall not
19 impose unreasonable costs on any municipality.
20 (3) The typical costs of the particular types of projects
21 or activities for which permits ~~or conditional permits~~ are
22 required, provided that in no circumstances shall fees be in
23 excess of the actual costs to the department.
24 Sec. 2. Section 455B.133, subsection 6, paragraph a, Code
25 2014, is amended to read as follows:
26 a. Require, by rules, notice of the construction of any
27 air contaminant source which may cause or contribute to air
28 pollution, and the submission of plans and specifications to
29 the department, or other information deemed necessary, for the
30 installation of air contaminant sources and related control
31 equipment. ~~The rules shall allow the owner or operator of a~~
32 ~~major stationary source to elect to obtain a conditional permit~~
33 ~~in lieu of a construction permit.~~ The rules relating to a
34 ~~conditional permit for an electric power generating facility~~
35 ~~subject to chapter 476A and other major stationary sources~~



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1 shall allow the submission of engineering descriptions, flow
2 diagrams and schematics that quantitatively and qualitatively
3 identify emission streams and alternative control equipment
4 that will provide compliance with emission standards. Such
5 rules shall not specify any particular method to be used to
6 reduce undesirable levels of emissions, nor type, design, or
7 method of installation of any equipment to be used to reduce
8 such levels of emissions, nor the type, design, or method of
9 installation or type of construction of any manufacturing
10 processes or kinds of equipment, nor specify the kind or
11 composition of fuels permitted to be sold, stored, or used
12 unless authorized by subsection 4 of this section.

13 Sec. 3. Section 455B.134, subsection 3, unnumbered
14 paragraph 1, Code 2014, is amended to read as follows:

15 Grant, modify, suspend, terminate, revoke, reissue,
16 or deny permits for the construction or operation of new,
17 modified, or existing air contaminant sources and for related
18 control equipment, ~~and conditional permits for electric~~
19 ~~power generating facilities subject to chapter 476A and other~~
20 ~~major stationary sources,~~ subject to the rules adopted by the
21 commission. The department shall furnish necessary application
22 forms for such permits.

23 Sec. 4. Section 455B.134, subsection 3, paragraphs a, b, c,
24 and e, Code 2014, are amended to read as follows:

25 a. No air contaminant source shall be installed, altered
26 so that it significantly affects emissions, or placed in use
27 unless a construction ~~or conditional~~ permit has been issued for
28 the source.

29 b. The condition of expected performance shall be reasonably
30 detailed in the construction ~~or conditional~~ permit.

31 c. All applications for permits ~~other than conditional~~
32 ~~permits for electric generating facilities~~ shall be subject to
33 such notice and public participation as may be provided by rule
34 by the commission. Upon denial or limitation of a permit ~~other~~
35 ~~than a conditional permit for an electric generating facility,~~

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1 the applicant shall be notified of such denial and informed of
2 the reason or reasons therefor, and such applicant shall be
3 entitled to a hearing before the commission.

4 e. A regulated air contaminant source for which a
5 construction permit ~~or conditional permit~~ has been issued
6 shall not be operated unless an operating permit also has
7 been issued for the source. However, if the facility was in
8 compliance with permit conditions prior to the requirement for
9 an operating permit and has made timely application for an
10 operating permit, the facility may continue operation until
11 the operating permit is issued or denied. Operating permits
12 shall contain the requisite conditions and compliance schedules
13 to ensure conformance with state and federal requirements
14 including emission allowances for sulfur dioxide emissions
15 for sources subject to Tit. IV of the federal Clean Air Act
16 Amendments of 1990. If construction of a new air contaminant
17 source is proposed, the department may issue an operating
18 permit concurrently with the construction permit, if possible
19 and appropriate.

20 Sec. 5. Section 455B.134, subsection 3, paragraph d, Code
21 2014, is amended by striking the paragraph.

22 Sec. 6. Section 455B.147, subsection 2, Code 2014, is
23 amended by striking the subsection.

24 Sec. 7. Section 455B.173, subsection 3, paragraph a, Code
25 2014, is amended by striking the paragraph.

26 Sec. 8. Section 455B.174, subsection 4, paragraph d, Code
27 2014, is amended by striking the paragraph.

28 EXPLANATION

29 The inclusion of this explanation does not constitute agreement with
30 the explanation's substance by the members of the general assembly.

31 This bill eliminates the ability of the department of
32 natural resources to issue certain conditional permits
33 related to air and water quality to electric power generating
34 facilities.



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House File 2227 - Introduced

HOUSE FILE 2227
BY HUNTER

A BILL FOR

1 An Act relating to state and school antiharassment and
2 antibullying policies, providing for a harassment
3 and bullying investigation specialist, and making an
4 appropriation.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5915YH (2) 85
je/rj



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H.F. 2227

1 Section 1. NEW SECTION. 256.34 Harassment and bullying
2 investigation specialist — appropriation.

3 1. For purposes of this section, “harassment” and “bullying”
4 mean the same as defined in section 280.28.

5 2. The department shall employ a harassment and bullying
6 investigation specialist who shall develop in-person training,
7 materials, and other tools to prevent and respond appropriately
8 to harassment and bullying in public and nonpublic schools.

9 3. For the fiscal year beginning July 1, 2014, and ending
10 June 30, 2015, and for each succeeding fiscal year, there
11 is appropriated from the general fund of the state to the
12 department the sum of five hundred thousand dollars, for
13 purposes of this section.

14 Sec. 2. Section 280.28, subsection 2, paragraph a, Code
15 2014, is amended to read as follows:

16 a. “Electronic” means any communication involving the
17 transmission of information by wire, radio, optical cable,
18 electromagnetic, or other similar means. “Electronic” includes
19 but is not limited to communication via electronic mail,
20 internet-based communications including social networking
21 sites, pager service, cell phones, and electronic text
22 messaging, or any other electronic communication site, device,
23 or means.

24 Sec. 3. Section 280.28, subsection 3, paragraph a,
25 subparagraph (1), Code 2014, is amended to read as follows:

26 (1) School employees, volunteers, and students in
27 school, on school property, ~~or~~ at any school function or
28 school-sponsored activity, or otherwise under the supervision,
29 care, or control of the school shall not engage in harassing
30 and bullying behavior against students.

31 Sec. 4. Section 280.28, subsection 3, paragraph g, Code
32 2014, is amended to read as follows:

33 g. A statement of the manner in which the policy and
34 complaint process will be publicized.

35 Sec. 5. Section 280.28, subsection 7, Code 2014, is amended

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1 to read as follows:

2 7. *Integration of policy and reporting.* The board of
3 directors of a school district and the authorities in charge of
4 each nonpublic school shall integrate its antiharassment and
5 antibullying policy into the comprehensive school improvement
6 plan required under section 256.7, subsection 21, and shall
7 ~~report data collected under subsection 6, as specified by the~~
8 ~~following to the department, to and the local community:~~

9 a. Data collected under subsection 6, as specified by the
10 department.

11 b. The process used for filing complaints, including the
12 location of online or other complaint forms.

13 c. Antiharassment and antibullying training completed by
14 school employees, volunteers, and students during each school
15 year.

16 Sec. 6. Section 280.28, Code 2014, is amended by adding the
17 following new subsection:

18 NEW SUBSECTION. 9. *Rulemaking authority.* The department of
19 education may adopt rules necessary to administer this section
20 in a uniform manner throughout the state.

21 EXPLANATION

22 The inclusion of this explanation does not constitute agreement with
23 the explanation's substance by the members of the general assembly.

24 This bill requires the department of education to employ a
25 harassment and bullying investigation specialist and provides
26 duties for the specialist. The bill appropriates \$500,000 to
27 the department for the fiscal year beginning July 1, 2014, and
28 ending June 30, 2015, and for each succeeding fiscal year for
29 this purpose.

30 The bill also makes various modifications to Code section
31 280.28, the state law relating to school antiharassment and
32 antibullying policies.

33 The bill modifies the definition of "electronic" by adding
34 any other electronic communication site, device, or means to
35 the definition and by including social networking sites as part

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1 of the term "internet-based communications".

2 Current law requires that school antiharassment and
3 antibullying policies prohibit harassment and bullying behavior
4 by school employees, volunteers, and students in school, on
5 school property, or at any school function or school-sponsored
6 activity. The bill requires that such policies also prohibit
7 harassment and bullying behavior by school employees,
8 volunteers, and students otherwise under the supervision, care,
9 or control of the school.

10 The bill requires such policies to include a statement of
11 the manner in which the complaint process for incidents of
12 harassment or bullying will be publicized.

13 The bill modifies data reporting requirements for schools
14 by requiring the board of directors of a school district and
15 the authorities in charge of each nonpublic school to report
16 certain additional information to the department and the local
17 community.

18 The bill permits the department to adopt rules necessary to
19 administer Code section 280.28 in a uniform manner throughout
20 the state.



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House File 2228 - Introduced

HOUSE FILE 2228
BY ISENHART

A BILL FOR

1 An Act providing that a student participating in an internship
2 is considered an employee under the Iowa civil rights Act
3 and making penalties applicable.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5767YH (3) 85
je/sc



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H.F. 2228

1 Section 1. Section 216.2, subsection 6, Code 2014, is
2 amended to read as follows:

3 6. *“Employee”* means any person employed by an employer.
4 *“Employee”* includes a student participating in an internship,
5 regardless of whether the student receives compensation.

6 Sec. 2. Section 216.2, Code 2014, is amended by adding the
7 following new subsections:

8 NEW SUBSECTION. 10A. *“Internship”* means temporary
9 employment of a student that focuses on providing the student
10 with work experience.

11 NEW SUBSECTION. 14A. *“Student”* means an individual enrolled
12 in an educational institution as defined in section 216.9,
13 subsection 2.

14 EXPLANATION

15 The inclusion of this explanation does not constitute agreement with
16 the explanation’s substance by the members of the general assembly.

17 This bill provides that the definition of *“employee”* for
18 purposes of Code chapter 216, the Iowa civil rights Act,
19 includes a student enrolled in an educational institution and
20 participating in an internship, regardless of whether the
21 student receives compensation. The bill defines *“internship”*,
22 *“student”*, and *“educational institution”*. Penalty provisions
23 for discriminatory employment practices are made applicable to
24 discrimination against a student who is participating in an
25 internship.



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House File 2229 - Introduced

HOUSE FILE 2229
BY HEATON

A BILL FOR

1 An Act relating to lighting requirements for towed machinery or
2 equipment, and making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5162YH (9) 85
dea/nh



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H.F. 2229

1 Section 1. Section 321.423, subsection 2, paragraph h, Code
2 2014, is amended to read as follows:

3 *h.* A flashing amber light is permitted on a towing or
4 recovery vehicle, a utility maintenance vehicle, a municipal
5 maintenance vehicle, a highway maintenance vehicle, or a
6 vehicle operated in accordance with subsection 6, paragraph
7 "a", or section 321.398 or 321.453.

8 Sec. 2. Section 321.423, subsection 2, Code 2014, is amended
9 by adding the following new paragraph:

10 NEW PARAGRAPH. *k.* A flashing red light is permitted on
11 towed machinery or equipment in accordance with subsection 6,
12 paragraph "b".

13 Sec. 3. Section 321.423, subsection 6, Code 2014, is amended
14 to read as follows:

15 6. *Amber flashing light — flashing red light.*

16 a. A farm tractor, farm tractor with towed equipment,
17 self-propelled implement of husbandry, road construction or
18 maintenance vehicle, road grader, or other vehicle principally
19 designed for use off the highway which, when operated on
20 a primary or secondary road, is operated at a speed of
21 thirty-five miles an hour or less, shall be equipped with and
22 display an amber flashing light visible from the rear at any
23 time from sunset to sunrise. If the amber flashing light is
24 obstructed by the towed equipment, the towed equipment shall
25 also be equipped with and display an amber flashing light as
26 required under this subsection. All vehicles specified in
27 this subsection which are manufactured for sale or sold in
28 this state shall be equipped with an amber flashing light
29 in accordance with the standards of the American society of
30 agricultural engineers.

31 b. In addition to the requirements of paragraph "a",
32 machinery or equipment towed by a farm tractor or other motor
33 vehicle at any time from sunset to sunrise shall display a
34 flashing red light attached at the rearmost position on the
35 towed machinery or equipment and visible from a distance of

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1 five hundred feet to the rear.

2 EXPLANATION

3 The inclusion of this explanation does not constitute agreement with
4 the explanation's substance by the members of the general assembly.

5 Under current law, a farm tractor with towed equipment is
6 required to be equipped with and display an amber flashing
7 light visible from the rear at any time from sunset to sunrise.
8 If the amber flashing light is obstructed by the towed
9 equipment, the towed equipment must also be equipped with and
10 display an amber flashing light. In addition to those current
11 requirements, this bill requires that machinery or equipment
12 towed by a farm tractor or other motor vehicle at any time from
13 sunset to sunrise must display a flashing red light visible
14 from 500 feet to the rear. The flashing red light must be
15 attached at the rearmost position on the towed machinery or
16 equipment.
17 A violation of vehicle lighting requirements is punishable
18 by a scheduled fine of \$30.



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House File 2230 - Introduced

HOUSE FILE 2230
BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO HF 2059)

A BILL FOR

1 An Act relating to vehicle permit requirements for equipment
2 used primarily for construction of permanent conservation
3 practices on agricultural land.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5100HV (1) 85
dea/nh



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1 Section 1. Section 321.453, Code 2014, is amended to read
2 as follows:

3 **321.453 Exceptions.**

4 The provisions of this chapter governing size, weight, and
5 load, and the permit requirements of chapter 321E do not apply
6 to fire apparatus; road maintenance equipment owned by, under
7 lease to, or used in the performance of a contract with any
8 state or local authority; ~~or to implements of husbandry when~~
9 ~~moved or moving upon a highway, except for those implements of~~
10 ~~husbandry moved or moving on any that is not a portion of the~~
11 ~~interstate; and or equipment used primarily for construction~~
12 ~~of permanent conservation practices on agricultural land when~~
13 ~~moved or moving upon a highway that is not a portion of the~~
14 ~~interstate, except as provided in sections 321.463, 321.471,~~
15 ~~and 321.474. A vehicle, that is carrying an implement of~~
16 ~~husbandry, which or equipment used primarily for construction~~
17 ~~of permanent conservation practices and is exempted from the~~
18 permit requirements under this section shall be equipped
19 with an amber flashing light visible from the rear. If the
20 amber flashing light is obstructed by the loaded implement or
21 equipment, the loaded implement or equipment shall also be
22 equipped with and display an amber flashing light. The vehicle
23 shall also be equipped with warning flags on that portion of
24 the vehicle which protrudes into oncoming traffic, and shall
25 only operate from thirty minutes prior to sunrise to thirty
26 minutes following sunset.

27 EXPLANATION

28 The inclusion of this explanation does not constitute agreement with
29 the explanation's substance by the members of the general assembly.

30 Under current law, Code provisions governing the size,
31 weight, and load of vehicles and the permit requirements for
32 oversize and overweight vehicles do not apply to certain
33 equipment, including implements of husbandry moved or moving
34 upon the highway. The exemption does not apply to vehicles on
35 an interstate highway, and the exemption is subject to certain

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1 restrictions that may be imposed by state or local authorities
2 in specific situations. This bill allows the same exemption
3 for equipment used primarily for construction of permanent
4 conservation practices on agricultural land. A vehicle
5 carrying such equipment must be equipped with an amber flashing
6 light visible from the rear, and if the amber flashing light
7 is obstructed by the loaded equipment, the equipment must also
8 display an amber flashing light. Warning flags are required
9 on the portion of the vehicle that protrudes into oncoming
10 traffic, and the vehicle may only be operated from 30 minutes
11 prior to sunrise to 30 minutes following sunset.

12 The bill does not limit the ability of state or local
13 authorities to impose restrictions on the movement of
14 equipment used primarily for construction of permanent
15 conservation practices for limited periods of time when special
16 circumstances exist.



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House File 2231 - Introduced

HOUSE FILE 2231
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 568)

A BILL FOR

1 An Act relating to federal home loan bank rights regarding
2 collateral pledged by insurer-members.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5775HV (2) 85
rn/nh



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1 Section 1. Section 507C.2, Code 2014, is amended by adding
2 the following new subsections:

3 NEW SUBSECTION. 10A. "*Federal home loan bank*" means a
4 federal home loan bank established under the federal Home Loan
5 Bank Act, 12 U.S.C. §1421 et seq.

6 NEW SUBSECTION. 16A. "*Insurer-member*" means an insurer who
7 is a member of a federal home loan bank.

8 Sec. 2. Section 507C.5, Code 2014, is amended by adding the
9 following new subsection:

10 NEW SUBSECTION. 3. *a.* Notwithstanding any other provision
11 to the contrary, after the seventh day following the filing of
12 a delinquency proceeding a federal home loan bank shall not
13 be stayed or prohibited from exercising its rights regarding
14 collateral pledged by an insurer-member.

15 *b.* If a federal home loan bank exercises its rights
16 regarding collateral pledged by an insurer-member who is
17 subject to a delinquency proceeding, the federal home loan
18 bank shall repurchase any outstanding capital stock that is in
19 excess of that amount of federal home loan bank stock that the
20 insurer-member is required to hold as a minimum investment, to
21 the extent the federal home loan bank in good faith determines
22 the repurchase to be permissible under applicable laws,
23 regulations, regulatory obligations, and the federal home loan
24 bank's capital plan, and consistent with the federal home loan
25 bank's current capital stock practices applicable to its entire
26 membership.

27 *c.* Following the appointment of a receiver for an
28 insurer-member, the federal home loan bank shall, within ten
29 business days after a request from the receiver, provide a
30 process and establish a timeline for all of the following:

31 (1) The release of collateral that exceeds the amount
32 required to support secured obligations remaining after
33 any repayment of loans as determined in accordance with the
34 applicable agreements between the federal home loan bank and
35 the insurer-member.



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1 (2) The release of any of the insurer-member's collateral
2 remaining in the federal home loan bank's possession following
3 repayment of all outstanding secured obligations of the
4 insurer-member in full.

5 (3) The payment of fees owed by the insurer-member and the
6 operation of deposits and other accounts of the insurer-member
7 with the federal home loan bank.

8 (4) The possible redemption or repurchase of federal
9 home loan bank stock or excess stock of any class that an
10 insurer-member is required to own.

11 d. Upon request from a receiver, the federal home loan
12 bank shall provide any available options for an insurer-member
13 subject to a delinquency proceeding to renew or restructure
14 a loan to defer associated prepayment fees, subject to
15 market conditions, the terms of any loans outstanding to the
16 insurer-member, the applicable policies of the federal home
17 loan bank, and the federal home loan bank's compliance with
18 federal laws and regulations.

19 Sec. 3. Section 507C.28A, Code 2014, is amended by adding
20 the following new subsection:

21 NEW SUBSECTION. 10. Notwithstanding any other provision
22 of this chapter to the contrary, the receiver for an
23 insurer-member shall not void any transfer of, or any
24 obligation to transfer, money or any other property arising
25 under or in connection with any federal home loan bank
26 security agreement, or any pledge, security, collateral,
27 or guarantee agreement, or any other similar arrangement
28 or credit enhancement relating to a federal home loan bank
29 security agreement made in the ordinary course of business
30 and in compliance with the applicable federal home loan bank
31 agreement. However, a transfer may be avoided under this
32 subsection if the transfer was made with intent to hinder,
33 delay, or defraud the insurer-member, the receiver for
34 the insurer-member, or existing or future creditors. This
35 subsection shall not affect a receiver's rights regarding



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1 advances to an insurer-member in delinquency proceedings
2 pursuant to 12 C.F.R. §1266.4.

3 EXPLANATION

4 The inclusion of this explanation does not constitute agreement with
5 the explanation's substance by the members of the general assembly.

6 This bill relates to federal home loan bank rights regarding
7 collateral pledged by insurer-members in delinquency or
8 receivership proceedings. The bill defines a "federal home
9 loan bank" to mean a federal home loan bank established under
10 the federal Home Loan Bank Act, and an "insurer-member" to mean
11 an insurer who is a member of a federal home loan bank.

12 The bill provides that, after the seventh day following the
13 filing of a delinquency proceeding, a federal home loan bank
14 shall not be stayed or prohibited from exercising its rights
15 regarding collateral pledged by an insurer-member.

16 The bill provides that if a federal home loan bank exercises
17 its rights regarding collateral pledged by an insurer-member
18 who is subject to a delinquency proceeding, the federal home
19 loan bank shall repurchase any outstanding capital stock that
20 is in excess of that amount of federal home loan bank stock
21 that the insurer-member is required to hold as a minimum
22 investment, to the extent the federal home loan bank in
23 good faith determines the repurchase to be permissible under
24 applicable laws, regulations, regulatory obligations, and the
25 federal home loan bank's capital plan, and consistent with
26 the federal home loan bank's current capital stock practices
27 applicable to its entire membership.

28 The bill provides that after the appointment of a receiver
29 for an insurer-member, the federal home loan bank shall,
30 within 10 business days after a request from the receiver,
31 provide a process and establish a timeline for the release of
32 collateral that exceeds the amount required to support secured
33 obligations remaining after any repayment of loans, the release
34 of any of the insurer-member's collateral remaining in the
35 federal home loan bank's possession following repayment of

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1 all outstanding secured obligations of the insurer-member in
2 full, the payment of fees owed by the insurer-member and the
3 operation of deposits and other accounts of the insurer-member
4 with the federal home loan bank, and the possible redemption or
5 repurchase of federal home loan bank stock or excess stock of
6 any class that an insurer-member is required to own.

7 The bill additionally provides that upon request from
8 a receiver, the federal home loan bank shall provide
9 any available options for an insurer-member subject to a
10 delinquency proceeding to renew or restructure a loan to defer
11 associated prepayment fees. Such a renewal or restructuring
12 would be subject to market conditions, the terms of any loans
13 outstanding to the insurer-member, the applicable policies of
14 the federal home loan bank, and the federal home loan bank's
15 compliance with federal laws and regulations.

16 The bill also provides that a receiver for an insurer-member
17 shall not void any transfer of, or any obligation to transfer,
18 money or any other property arising under or in connection with
19 any federal home loan bank security agreement, or any pledge,
20 security, collateral, or guarantee agreement, or any other
21 similar arrangement or credit enhancement relating to a federal
22 home loan bank security agreement made in the ordinary course
23 of business and in compliance with the applicable federal home
24 loan bank agreement, unless the transfer was made with intent
25 to hinder, delay, or defraud the insurer-member, the receiver
26 for the insurer-member, or existing or future creditors. The
27 bill adds that this provision shall not affect a receiver's
28 rights regarding advances to an insurer-member in delinquency
29 proceedings pursuant to federal law.



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House File 2232 - Introduced

HOUSE FILE 2232
BY M. SMITH

A BILL FOR

1 An Act modifying the definition of gold star parents.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5155YH (3) 85
aw/sc



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H.F. 2232

1 Section 1. Section 35D.1, subsection 1, Code 2014, is
2 amended to read as follows:

3 1. The Iowa veterans home, located in Marshalltown, shall
4 be maintained as a long-term health care facility providing
5 nursing and residential levels of care for honorably discharged
6 veterans and their dependent spouses, surviving spouses
7 of honorably discharged veterans, and gold star parents.
8 Eligibility requirements for admission to the Iowa veterans
9 home shall coincide with the eligibility requirements for
10 care and treatment in a United States department of veterans
11 affairs facility pursuant to 38 U.S.C. § 1710, and regulations
12 promulgated under that section, as amended. For the purposes
13 of this subsection, "gold star parent" means a parent of a
14 deceased member of the United States armed forces who died
15 while ~~serving on active~~ performing military duty during a time
16 of military conflict, as defined in section 29A.1, subsection
17 3, 8, or 12, or who died as a result of such service.

18 Sec. 2. Section 321.34, subsection 24, Code 2014, is amended
19 to read as follows:

20 24. *Gold star plates.* An owner referred to in subsection
21 12 who is the surviving spouse, parent, child, or sibling
22 of a deceased member of the United States armed forces who
23 died while ~~serving on active~~ performing military duty during
24 a time of military conflict, as defined in section 29A.1,
25 subsection 3, 8, or 12, or who died as a result of such service
26 may order special registration plates bearing a gold star
27 emblem upon written application to the department accompanied
28 by satisfactory supporting documentation as determined by
29 the department. The gold star emblem shall be designed
30 by the department in cooperation with the commission of
31 veterans affairs. The special plate fees collected by the
32 director under subsection 12, paragraphs "a" and "c", from the
33 issuance and annual validation of letter-number designated and
34 personalized gold star plates shall be paid monthly to the
35 treasurer of state and deposited in the road use tax fund. The

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1 treasurer of state shall transfer monthly from the statutory
2 allocations fund created under section 321.145, subsection 2,
3 to the veterans license fee fund created in section 35A.11
4 the amount of the special fees collected under subsection 12,
5 paragraph "a", in the previous month for gold star plates.

6 EXPLANATION

7 The inclusion of this explanation does not constitute agreement with
8 the explanation's substance by the members of the general assembly.

9 This bill relates to the definition of gold star parents
10 of members of United States armed forces for the purposes of
11 admission to the Iowa veterans home and for the issuance of
12 gold star vehicle registration plates.

13 Under current law, gold star parents are the parents of
14 members of the United States armed forces who died while
15 on active duty during a time of military conflict or as a
16 result of such service. The bill modifies the definition to
17 also include the parents of members of United States armed
18 forces who died while serving on federal active duty, state
19 active duty, or on national guard duty, or as a result of such
20 service.



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House File 2233 - Introduced

HOUSE FILE 2233
BY HANUSA

A BILL FOR

1 An Act relating to proof of responsibility and insurance
2 coverage requirements for damages resulting from motor
3 vehicle accidents.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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rj/rj



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H.F. 2233

1 Section 1. Section 321A.1, subsection 11, Code 2014, is
2 amended to read as follows:
3 11. *Proof of financial responsibility.* Proof of ability
4 to respond in damages for liability, on account of accidents
5 occurring subsequent to the effective date of the proof,
6 arising out of the ownership, maintenance, or use of a motor
7 vehicle, in amounts as follows: With respect to accidents
8 occurring on or after January 1, 1981, and prior to January
9 1, 1983, the amount of fifteen thousand dollars because of
10 bodily injury to or death of one person in any one accident,
11 and, subject to the limit for one person, the amount of thirty
12 thousand dollars because of bodily injury to or death of
13 two or more persons in any one accident, and the amount of
14 ten thousand dollars because of injury to or destruction of
15 property of others in any one accident; ~~and~~ with respect to
16 accidents occurring on or after January 1, 1983, and prior
17 to January 1, 2015, the amount of twenty thousand dollars
18 because of bodily injury to or death of one person in any one
19 accident, and, subject to the limit for one person, the amount
20 of forty thousand dollars because of bodily injury to or death
21 of two or more persons in any one accident, and the amount of
22 fifteen thousand dollars because of injury to or destruction
23 of property of others in any one accident; and with respect to
24 accidents occurring on or after January 1, 2015, the amount of
25 fifty thousand dollars because of bodily injury to or death of
26 one person in any one accident, and, subject to the limit for
27 one person, the amount of one hundred thousand dollars because
28 of bodily injury to or death of two or more persons in any one
29 accident, and the amount of thirty-seven thousand five hundred
30 dollars because of injury to or destruction of property of
31 others in any one accident.
32 Sec. 2. Section 321A.5, subsection 3, Code 2014, is amended
33 to read as follows:
34 3. A policy or bond is not effective under this section
35 unless issued by an insurance company or surety company

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1 authorized to do business in this state, except that if the
2 motor vehicle was not registered in this state, or was a motor
3 vehicle which was registered elsewhere than in this state at
4 the effective date of the policy or bond, or the most recent
5 renewal thereof, the policy or bond is not effective under this
6 section unless the insurance company or surety company if not
7 authorized to do business in this state executes a power of
8 attorney authorizing the department to accept service on its
9 behalf of notice or process in any action upon the policy or
10 bond arising out of the accident. However, with respect to
11 accidents occurring on or after January 1, 1981, and before
12 January 1, 1983, every such policy or bond is subject, if the
13 accident has resulted in bodily injury or death, to a limit,
14 exclusive of interest and costs, of not less than fifteen
15 thousand dollars because of bodily injury to or death of one
16 person in any one accident and, subject to the limit for one
17 person, to a limit of not less than thirty thousand dollars
18 because of bodily injury to or death of two or more persons in
19 any one accident, and, if the accident has resulted in injury
20 to or destruction of property, to a limit of not less than
21 ten thousand dollars because of injury to or destruction of
22 property of others in any one accident; ~~and~~ with respect to
23 accidents occurring on or after January 1, 1983, and before
24 January 1, 2015, every such policy or bond is subject, if the
25 accident has resulted in bodily injury or death, to a limit,
26 exclusive of interest and costs, of not less than twenty
27 thousand dollars because of bodily injury to or death of one
28 person in any one accident and, subject to the limit for one
29 person, to a limit of not less than forty thousand dollars
30 because of bodily injury to or death of two or more persons in
31 any one accident, and, if the accident has resulted in injury
32 to or destruction of property, to a limit of not less than
33 fifteen thousand dollars because of injury to or destruction
34 of property of others in any one accident; and with respect
35 to accidents occurring on or after January 1, 2015, every

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1 such policy or bond is subject, if the accident has resulted
2 in bodily injury or death, to a limit, exclusive of interest
3 and costs, of not less than fifty thousand dollars because of
4 bodily injury to or death of one person in any one accident
5 and, subject to the limit for one person, to a limit of not less
6 than one hundred thousand dollars because of bodily injury to
7 or death of two or more persons in any one accident, and, if the
8 accident has resulted in injury to or destruction of property,
9 to a limit of not less than thirty-seven thousand five hundred
10 dollars because of injury to or destruction of property of
11 others in any one accident.

12 Sec. 3. Section 321A.15, subsection 1, paragraph b,
13 unnumbered paragraph 1, Code 2014, is amended to read as
14 follows:

15 Judgments referred to in this chapter and rendered upon
16 claims arising from accidents occurring on or after January
17 1, 1983, and before January 1, 2015, shall, for the purpose
18 of this chapter only, be deemed satisfied when the following
19 occur:

20 Sec. 4. Section 321A.15, subsection 1, Code 2014, is amended
21 by adding the following new paragraph:

22 NEW PARAGRAPH. c. Judgments referred to in this chapter
23 and rendered upon claims arising from accidents occurring on or
24 after January 1, 2015, shall, for the purpose of this chapter
25 only, be deemed satisfied when the following occur:

26 (1) When fifty thousand dollars has been credited upon any
27 judgment or judgments rendered in excess of that amount because
28 of bodily injury to or death of one person as the result of any
29 one accident.

30 (2) When, subject to the limit of fifty thousand dollars
31 because of bodily injury to or death of one person, the sum
32 of one hundred thousand dollars has been credited upon any
33 judgment or judgments rendered in excess of that amount because
34 of bodily injury to or death of two or more persons as the
35 result of any one accident.

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1 (3) When thirty-seven thousand five hundred dollars has
2 been credited upon any judgment or judgments rendered in excess
3 of that amount because of injury to or destruction of property
4 of others as a result of any one accident.

5 Sec. 5. Section 321A.21, subsection 2, paragraph b, Code
6 2014, is amended to read as follows:

7 b. Shall insure the person named in the policy and any other
8 person, as insured, using the motor vehicles with the express
9 or implied permission of the named insured, against loss from
10 the liability imposed by law for damages arising out of the
11 ownership, maintenance, or use of the motor vehicles within the
12 United States of America or the Dominion of Canada, subject to
13 limits exclusive of interest and costs, with respect to each
14 such motor vehicle, as follows: With respect to all accidents
15 which occur on or after January 1, 1981, and before January
16 1, 1983, fifteen thousand dollars because of bodily injury to
17 or death of one person in any one accident and, subject to
18 said limit for one person, thirty thousand dollars because of
19 bodily injury to or death of two or more persons in any one
20 accident, and ten thousand dollars because of injury to or
21 destruction of property of others in any one accident; and
22 with respect to all accidents which occur on or after January
23 1, 1983, and before January 1, 2015, twenty thousand dollars
24 because of bodily injury to or death of one person in any one
25 accident and, subject to said limit for one person, forty
26 thousand dollars because of bodily injury to or death of two or
27 more persons in any one accident, and fifteen thousand dollars
28 because of injury to or destruction of property of others in
29 any one accident; and with respect to all accidents which occur
30 on or after January 1, 2015, fifty thousand dollars because of
31 bodily injury to or death of one person in any one accident
32 and, subject to said limit for one person, one hundred thousand
33 dollars because of bodily injury to or death of two or more
34 persons in any one accident, and thirty-seven thousand five
35 hundred dollars because of injury to or destruction of property

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1 of others in any one accident.

2 Sec. 6. Section 321A.25, subsection 1, Code 2014, is amended
3 to read as follows:

4 1. Proof of financial responsibility may be evidenced by
5 filing with the department ~~fifty-five~~ one hundred thirty-seven
6 thousand five hundred dollars in the form of a certificate of
7 deposit made payable to the department. The certificate of
8 deposit shall be obtained from an Iowa financial institution in
9 the amount of ~~fifty-five~~ one hundred thirty-seven thousand five
10 hundred dollars plus any early withdrawal penalty fee. Upon
11 receipt of the certificate of deposit, the department shall
12 issue to the person a security insurance card for each motor
13 vehicle registered in this state by the person. The security
14 insurance card shall state the name and address of the person
15 and the registration number of the motor vehicle for which the
16 card is issued. The department shall not accept a certificate
17 of deposit unless accompanied by evidence that there are no
18 unsatisfied judgments of any character against the person in
19 the county where the person resides.

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with
22 the explanation's substance by the members of the general assembly.

23 This bill increases proof of responsibility and insurance
24 coverage requirements for damages resulting from motor vehicle
25 accidents.

26 Code section 321A.1 is amended to increase the amount of
27 insurance coverage that is required to satisfy the proof
28 of financial responsibility requirements for motor vehicle
29 ownership, maintenance, and use. The bill provides that with
30 respect to motor vehicle accidents that occur on or after
31 January 1, 2015, the amount of coverage required shall not be
32 less than \$50,000 for bodily injury to or death of one person,
33 \$100,000 for bodily injury to or death of two or more persons,
34 and \$37,500 because of injury to or destruction of property of
35 others.

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1 The effect of the amendments to Code section 321A.1 is to
2 increase the minimum amount of coverage that must be offered in
3 a motor vehicle liability policy for injury or death resulting
4 from an uninsured or underinsured motor vehicle under Code
5 chapter 516A, as provided in Code section 321A.1.

6 Code section 321A.21 is amended to increase the amount of
7 insurance coverage that is required to be included in a motor
8 vehicle liability policy issued in this state to correspond
9 with the changes made in Code section 321A.1 concerning proof
10 of financial responsibility.

11 Corresponding amendments are also made in Code sections
12 321A.5, 321A.15, and 321A.25 to raise the required amounts of
13 coverages with respect to policies and bond given or posted as
14 security, judgments paid and proof given, and certificates of
15 deposit filed with the treasurer of state to meet the financial
16 responsibility requirements of Code chapter 321A.



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House File 2234 - Introduced

HOUSE FILE 2234
BY COMMITTEE ON VETERANS
AFFAIRS

(SUCCESSOR TO HSB 512)

A BILL FOR

1 An Act allowing private employers to grant a preference in
2 hiring and promotion to veterans and certain spouses.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 35.3 Veterans preference in private
2 employment permitted.

3 1. A private employer may grant preference in hiring and
4 promotion to an individual who is a veteran.

5 2. a. A private employer may grant preference in hiring
6 and promotion to the spouse of a veteran who has sustained
7 a permanent, compensable service-connected disability as
8 adjudicated by the United States veterans administration or by
9 the retirement board of one of the armed forces of the United
10 States.

11 b. A private employer may grant preference in hiring and
12 promotion to the surviving spouse of a deceased member of the
13 United States armed forces who died while serving on active
14 duty during a time of military conflict or who died as a result
15 of such service.

16 3. Granting a hiring or promotion preference under this
17 section does not violate any state law or local ordinance
18 regarding equal employment opportunity, including but not
19 limited to chapter 216.

20 4. The hiring and promotion preferences allowable
21 under this section shall only be granted if consistent with
22 applicable federal laws and regulations.

23 EXPLANATION

24 The inclusion of this explanation does not constitute agreement with
25 the explanation's substance by the members of the general assembly.

26 This bill allows private employers to grant a preference in
27 hiring and promotion to veterans and certain veterans' spouses.

28 The bill specifically permits private employers to grant
29 a preference in hiring and promotion to veterans as defined
30 in the Iowa department of veterans affairs law. Private
31 employers are also allowed to grant such preferences to the
32 spouse of a veteran who has sustained a permanent, compensable
33 service-connected disability as adjudicated by the United
34 States veterans administration or by the retirement board of
35 one of the armed forces of the United States. These employers

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1 may also grant such preferences to the surviving spouse of a
2 deceased member of the United States armed forces who died
3 while serving on active duty during a time of military conflict
4 or who died as a result of such service. The bill only permits
5 employers to grant such preferences as far as is consistent
6 with federal laws and regulations.

7 The bill provides that granting such a preference does
8 not violate any state law or local ordinance regarding equal
9 employment opportunity, including Code chapter 216.



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House File 2235 - Introduced

HOUSE FILE 2235

BY STECKMAN, MASCHER,
DAWSON, STAED, LENSING,
MURPHY, PRICHARD, HANSON,
WESSEL-KROESCHELL,
H. MILLER, MAXWELL,
MUHLBAUER, COHOON,
ABDUL-SAMAD, WOLFE,
BEARINGER, OURTH, KEARNS,
ANDERSON, HEDDENS, M.
SMITH, WOOD, RIDING, and
KAJTAZOVIC

A BILL FOR

1 An Act relating to placement options for a child adjudicated as
2 delinquent or a child in need of assistance, at the time the
3 child becomes an adult.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5434YH (5) 85
jp/nh



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1 Section 1. Section 232.2, subsection 4, paragraph f,
2 subparagraph (1), subparagraph division (f), Code 2014, is
3 amended to read as follows:
4 (f) If the needs assessment indicates the child is
5 reasonably likely to need or be eligible for services or
6 other support from the adult service system upon reaching age
7 eighteen, the transition plan shall provide for the child's
8 application for adult services. In addition, the transition
9 plan shall identify options for placement of the child prior to
10 the child reaching age eighteen to meet the child's needs in a
11 manner that will not negatively affect the child's eligibility
12 for assistance that is funded in whole or in part through
13 federal financial participation. The assistance addressed
14 shall include but is not limited to the preparation for adult
15 living program under section 234.46, the medical assistance
16 program, the federal education and training vouchers program,
17 and the federal job corps program.
18 Sec. 2. Section 232.53, subsection 5, Code 2014, is amended
19 to read as follows:
20 5. a. Any person supervising but not having custody of the
21 child pursuant to ~~such~~ an order described in this section shall
22 file a written report with the court at least every six months
23 concerning the status and progress of the child. In addition
24 to other information, the report shall identify options for
25 placement of the child prior to the child reaching age eighteen
26 to meet the child's needs in a manner that will not negatively
27 affect the child's eligibility for assistance that is funded in
28 whole or in part through federal financial participation. The
29 assistance addressed shall include but is not limited to the
30 preparation for adult living program under section 234.46, the
31 medical assistance program, the federal education and training
32 vouchers program, and the federal job corps program. The court
33 shall consider the options identified in any review by the
34 court of the child's disposition.
35 b. Any agency, facility, institution, or person to whom

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1 custody of the child has been transferred pursuant to ~~such an~~
2 order described in this section shall file a written report
3 with the court at least every six months concerning the status
4 and progress of the child.

5 c. Any report prepared pursuant to this subsection shall be
6 included in the record considered by the court in a permanency
7 hearing conducted pursuant to section 232.58.

8 Sec. 3. Section 233A.1, Code 2014, is amended by adding the
9 following new subsection:

10 NEW SUBSECTION. 4. For any child receiving a diagnosis or
11 evaluation from or placed at the state training school, the
12 state training school shall provide a written plan regarding
13 the placement status of the child prior to the child reaching
14 age eighteen. The plan shall, while giving consideration to
15 the treatment needs of the child, also give consideration to
16 the long-term needs of the child upon becoming age eighteen.
17 Given these considerations, the plan shall identify placement
18 options to meet the child's needs that will not negatively
19 affect the child's adult eligibility for assistance provided
20 with federal financial participation. The assistance addressed
21 shall include but is not limited to the preparation for adult
22 living program under section 234.46, the medical assistance
23 program, the federal education and training vouchers program,
24 and the federal job corps program.

25 Sec. 4. Section 234.46, subsection 1, paragraph c, Code
26 2014, is amended to read as follows:

27 c. At the time the person became age eighteen, the person
28 received foster care services that were paid for by the state
29 under section 234.35, services at the Iowa juvenile home or
30 the state training school, services at a juvenile shelter care
31 home, or services at a juvenile detention home and the person
32 is no longer receiving such services.

33 Sec. 5. Section 234.46, subsection 2, unnumbered paragraph
34 1, Code 2014, is amended to read as follows:

35 The division shall establish a preparation for adult living

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1 program directed to young adults. The purpose of the program
2 is to assist persons who are leaving foster care and other
3 court-ordered services at age eighteen or older in making the
4 transition to self-sufficiency. The department shall adopt
5 rules necessary for administration of the program, including
6 but not limited to eligibility criteria for young adult
7 participation and the services and other support available
8 under the program. The rules shall provide for participation
9 of each person who meets the definition of young adult on
10 the same basis, regardless of whether federal financial
11 participation is provided. The services and other support
12 available under the program may include but are not limited to
13 any of the following:

14 EXPLANATION

15 The inclusion of this explanation does not constitute agreement with
16 the explanation's substance by the members of the general assembly.

17 This bill relates to placement options for a child
18 adjudicated as delinquent or a child in need of assistance, at
19 the time the child becomes an adult. For foster care children
20 age 16 or older who are mandated by federal law to have a case
21 permanency plan, the department of human services, any agency
22 involved, and the child's parent, guardian, or custodian,
23 developing the plan are required by current law in Code section
24 232.2 to include a transition plan to assist in preparing
25 for the transition from foster care to adulthood. The bill
26 requires the transition plan to identify options for placement
27 of the child prior to the child reaching age 18 to meet the
28 child's needs in a manner that will not negatively affect the
29 child's eligibility for assistance that is funded in whole
30 or in part through federal financial participation. Various
31 programs are specified.

32 Code section 232.53, relating to dispositional orders
33 for children adjudicated as delinquent, currently requires
34 reporting to the court every six months regarding the status
35 of the children. The bill requires the person reporting to

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1 identify options for placement of the child prior to the child
2 reaching age 18 to meet the child's needs in a manner that will
3 not negatively affect the child's eligibility for assistance
4 that is funded in whole or in part through federal financial
5 participation. Various programs are specified.

6 Code section 234.46 relates to eligibility for the
7 preparation for adult living program administered by the
8 department of human services. The eligibility definition for
9 the program is expanded by the bill to include persons who,
10 at the time such person became age 18, received services at
11 the Iowa juvenile home, the state training school, a shelter
12 care home, or a juvenile detention home. Current law limits
13 eligibility to persons who, at the time such person became age
14 18, was receiving foster care services paid for by the state.

15 The bill also provides that the rules adopted by the
16 department for the program must provide for the participation
17 of each person who meets the eligibility definition on the same
18 basis, regardless of whether federal financial participation
19 is provided.



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House File 2236 - Introduced

HOUSE FILE 2236
BY WORTHAN

A BILL FOR

1 An Act relating to the liability of a private land holder
2 for the public use of private lands and waters for a
3 noncommercial aviation purpose.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5808YH (2) 85
rh/rj



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1 Section 1. Section 461C.1, Code 2014, is amended to read as
2 follows:

3 **461C.1 Purpose.**

4 The purpose of this chapter is to encourage private holders
5 of land to make land and water areas available to the public
6 for a recreational purpose, ~~and~~ for urban deer control, ~~and~~
7 for a noncommercial aviation purpose by limiting a holder's
8 liability toward persons entering onto the holder's property
9 for such purposes. The provisions of this chapter shall be
10 construed liberally and broadly in favor of private holders of
11 land to accomplish the purposes of this chapter.

12 Sec. 2. Section 461C.2, Code 2014, is amended by adding the
13 following new subsection:

14 NEW SUBSECTION. 4A. "*Noncommercial aviation purpose*" means
15 the use of an aircraft on privately owned land or water when
16 the use is not for the transportation of persons or property
17 for compensation or hire.

18 Sec. 3. Section 461C.3, Code 2014, is amended to read as
19 follows:

20 **461C.3 Liability of holder limited.**

21 1. Except as specifically recognized by or provided in
22 section 461C.6, a holder of land does not owe a duty of care
23 to keep the premises safe for entry or use by others for a
24 recreational purpose, ~~or~~ urban deer control, or a noncommercial
25 aviation purpose, or to give any warning of a dangerous
26 condition, use, structure, or activity on such premises to
27 persons entering for such purposes.

28 2. Except as specifically recognized by or provided in
29 section 461C.6, a holder of land does not owe a duty of care
30 to others solely because the holder is guiding, directing,
31 supervising, or participating in any recreational purpose,
32 ~~or~~ urban deer control, or a noncommercial aviation purpose
33 undertaken by others on the holder's land.

34 Sec. 4. Section 461C.4, unnumbered paragraph 1, Code 2014,
35 is amended to read as follows:

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1 Except as specifically recognized by or provided in section
2 461C.6, a holder of land who either directly or indirectly
3 invites or permits without charge any person to use such
4 property for a recreational purpose, ~~or~~ urban deer control, or
5 a noncommercial aviation purpose does not thereby:

6 Sec. 5. Section 461C.4, subsection 3, Code 2014, is amended
7 to read as follows:

8 3. Assume a duty of care to such person solely because the
9 holder is guiding, directing, supervising, or participating
10 in any recreational purpose, ~~or~~ urban deer control, or
11 noncommercial aviation purpose undertaken by the person on the
12 holder's land.

13 Sec. 6. Section 461C.5, Code 2014, is amended to read as
14 follows:

15 **461C.5 Duties and liabilities of holder of leased land.**

16 Unless otherwise agreed in writing, the provisions of
17 sections 461C.3 and 461C.4 shall be deemed applicable to
18 the duties and liability of a holder of land leased, or any
19 interest or right therein transferred to, or the subject of any
20 agreement with, the United States or any agency thereof, or the
21 state or any agency or subdivision thereof, for a recreational
22 purpose, ~~or~~ urban deer control, or a noncommercial aviation
23 purpose.

24 Sec. 7. Section 461C.6, subsection 2, Code 2014, is amended
25 to read as follows:

26 2. For injury suffered in any case where the holder of land
27 charges the person or persons who enter or go on the land for
28 the recreational use thereof, ~~or~~ for deer hunting, or for a
29 noncommercial aviation use thereof except that in the case of
30 land or any interest or right therein, leased or transferred
31 to, or the subject of any agreement with, the United States
32 or any agency thereof or the state or any agency thereof or
33 subdivision thereof, any consideration received by the holder
34 for such lease, interest, right, or agreement shall not be
35 deemed a charge within the meaning of this section.

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1 Sec. 8. Section 461C.7, subsection 2, Code 2014, is amended
2 to read as follows:

3 2. Relieve any person using the land of another for
4 a recreational purpose, ~~or~~ urban deer control, or for a
5 noncommercial aviation purpose from any obligation which the
6 person may have in the absence of this chapter to exercise care
7 in the use of such land and in the person's activities thereon,
8 or from the legal consequences of failure to employ such care.

EXPLANATION

10 The inclusion of this explanation does not constitute agreement with
11 the explanation's substance by the members of the general assembly.

12 This bill relates to the liability of a private land
13 holder for the public use of private lands and waters for a
14 noncommercial aviation purpose.

15 Code chapter 461C (public use of private lands and waters)
16 provides that a holder of land does not owe a duty of care
17 to keep the premises safe for entry or use by others for a
18 recreational purpose or for urban deer control, or to give any
19 warning of a dangerous condition, use, structure, or activity
20 on such premises to persons entering for such purposes. In
21 addition, a holder of land does not owe a duty of care to others
22 solely because the holder is guiding, directing, supervising,
23 or participating in a recreational purpose or urban deer
24 control undertaken by others on the holder's land. The law
25 does not apply to a willful or malicious failure to guard or
26 warn against a dangerous condition, use, structure, or activity
27 and for injuries suffered where the holder charges the person
28 to participate in the recreational use or for deer hunting.

29 The bill expands the limitation on the liability of private
30 land holders for the public use of private lands and waters to
31 a "noncommercial aviation purpose" defined as the use of an
32 aircraft on privately owned land or water when the use is not
33 for the transportation of persons or property for compensation
34 or hire.

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House File 2237 - Introduced

HOUSE FILE 2237
BY PETTENGILL

A BILL FOR

1 An Act to establish a right to engage in a lawful occupation
2 free from substantial burdens imposed by occupational
3 regulations unless certain conditions are met and providing
4 remedies.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 27.1 Purpose.

2 The purposes of this chapter are:

3 1. To ensure that an individual may pursue a lawful
4 occupation free from unnecessary occupational regulations.

5 2. To protect against the misuse of occupational
6 regulations to reduce competition and increase prices to
7 consumers.

8 Sec. 2. NEW SECTION. 27.2 Definitions.

9 For purposes of this chapter, unless the context otherwise
10 requires:

11 1. "*Business license*" means a permit, registration,
12 certification, franchise, or other approval required by law for
13 a person to do business in this state.

14 2. "*Certification*" means a voluntary program in which the
15 government grants nontransferable recognition to an individual
16 who meets personal qualifications established by law, which
17 permits the individual to use "certified" as a designated
18 title, but which is not required for an individual to engage
19 in a lawful occupation for compensation. "*Certification*" by
20 the government does not include certification by a private
21 certification organization.

22 3. "*Government*" means any agency or other entity
23 of government of this state or of any of its political
24 subdivisions.

25 4. "*Lawful occupation*" means a course of conduct, pursuit,
26 or profession that includes the sale of goods or services that
27 can be legally sold in this state, irrespective of whether
28 the individual selling them is subject to an occupational
29 regulation.

30 5. "*Least restrictive means of furthering a compelling*
31 *governmental interest*", from least to most restrictive, means
32 the following:

33 (1) Absence of any occupational regulations.

34 (2) A provision for private civil action in small claims or
35 district court to remedy consumer harm.

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1 (3) Inspection requirements.
2 (4) Bonding or insurance requirements.
3 (5) Registration requirements.
4 (6) Certification requirements.
5 (7) Occupational license requirements.
6 6. "*Occupational license*" means a nontransferable
7 authorization in law for an individual to engage in a lawful
8 occupation for compensation based on meeting personal
9 qualifications established by law, without which it is illegal
10 for an individual to engage in the occupation for compensation.
11 "*Occupational license*" does not include registration or
12 certification.
13 7. "*Occupational regulation*" means a statute, ordinance,
14 rule, practice, policy, or other requirement in law that an
15 individual possess certain personal qualifications in order
16 to engage in a lawful occupation. "*Occupational regulation*"
17 excludes a business license and zoning and land use regulations
18 except to the extent such requirements regulate an individual's
19 personal qualifications to perform a lawful occupation.
20 8. "*Personal qualifications*" means criteria established by
21 law related to an individual's personal background including
22 but not limited to completion of an approved educational
23 program, satisfactory performance on an examination, work
24 experience, criminal history, moral standing, and completion
25 of continuing education.
26 9. "*Registration*" means a requirement established by law
27 in which an individual must give notice to the government in
28 order to engage in a lawful occupation and to use "*registered*"
29 as a designated title. Such notice may include but is not
30 limited to the individual's name and address, the individual's
31 agent for service of process, the location of the activity to
32 be performed, and a description of the service the individual
33 provides. "*Registration*" may require a bond or insurance.
34 "*Registration*" by the government does not include certification
35 by a private registration organization. A "*registration*" is

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1 nontransferable.

2 10. "*Substantial burden*" means a requirement in an
3 occupational regulation that imposes significant difficulty or
4 cost on an individual seeking to enter into or continue in a
5 lawful occupation. "*Substantial burden*" means a burden that is
6 more than incidental.

7 Sec. 3. NEW SECTION. 27.3 Right to engage in a lawful
8 occupation — remedies.

9 1. An individual has a right to engage in a lawful
10 occupation free from any substantial burden imposed by an
11 occupational regulation unless the government demonstrates all
12 of the following with respect to such occupational regulation:

13 a. The government has a compelling interest in protecting
14 against present and recognizable harm to the public health or
15 safety.

16 b. The occupational regulation is the least restrictive
17 means of furthering that compelling governmental interest.

18 2. a. An individual may assert as a defense in any judicial
19 or administrative proceeding brought by the government to
20 enforce an occupational regulation that such occupational
21 regulation violates the individual's right established in
22 subsection 1.

23 b. An individual may bring an action for declaratory
24 judgment or injunctive or other equitable relief against the
25 government for an occupational regulation that violates the
26 individual's right established in subsection 1. An individual
27 need not exhaust administrative remedies to bring such an
28 action.

29 3. An individual who asserts a defense or brings an action
30 under subsection 2 has the initial burden of proof that an
31 occupational regulation substantially burdens the individual's
32 right to engage in a lawful occupation.

33 4. If the individual meets the burden of proof under
34 subsection 3, the government must demonstrate by clear and
35 convincing evidence that the government has a compelling

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1 interest in protecting against present and recognizable harm
2 to the public health or safety, and that the occupational
3 regulation is the least restrictive means for furthering that
4 compelling governmental interest.

5 5. The presiding officer or court in a proceeding in
6 which an individual asserts a defense or brings an action
7 under subsection 2 shall make its own findings of fact and
8 conclusions of law with no deference given to any determination
9 by the government or in statute or rule that an occupational
10 regulation serves a compelling governmental interest in
11 protecting against present and recognizable harm to the public
12 health or safety or that the occupational regulation is the
13 least restrictive means of furthering a compelling governmental
14 interest.

15 6. An employer may assert a defense or bring an action under
16 subsection 2 on behalf of an employee or prospective employee.

17 Sec. 4. NEW SECTION. 27.4 Private registration and
18 certification permitted.

19 An individual may use the words "registered" or "certified"
20 as a designated title or as part of a designated title if
21 the individual meets the requirements for registration
22 or certification established by a private registration
23 or certification organization. The individual shall not
24 portray such registration or certification as granted by the
25 government.

26 Sec. 5. NEW SECTION. 27.5 Construction.

27 1. This chapter shall be liberally construed to protect the
28 right established in section 27.3, subsection 1.

29 2. This chapter shall not be construed to create a right of
30 action against a private party or to require a private party to
31 do business with an individual who is not licensed, certified,
32 or registered with the government.

33 3. This chapter shall not be construed to create a right of
34 action against the federal government for its use of a state
35 occupational regulation in federal law.

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1 EXPLANATION

2 The inclusion of this explanation does not constitute agreement with
3 the explanation's substance by the members of the general assembly.

4 This bill provides that an individual has a right to engage
5 in a lawful occupation free from any substantial burden
6 imposed by an occupational regulation unless the government
7 demonstrates with respect to such occupational regulation that
8 the government has a compelling interest in protecting against
9 present and recognizable harm to the public health or safety
10 and the occupational regulation is the least restrictive means
11 of furthering that compelling governmental interest.

12 An individual may assert as a defense in any judicial or
13 administrative proceeding brought by the government to enforce
14 an occupational regulation that such occupational regulation
15 violates this right. An individual may also bring an action
16 for declaratory judgment or injunctive or other equitable
17 relief against the government for an occupational regulation
18 that violates this right. An individual need not exhaust
19 administrative remedies to bring such an action.

20 An individual who asserts such a defense or brings such an
21 action has the initial burden of proof that an occupational
22 regulation substantially burdens the individual's right to
23 engage in a lawful occupation. If the individual meets the
24 burden of proof, the government must demonstrate by clear
25 and convincing evidence that the government has a compelling
26 interest in protecting against present and recognizable harm
27 to the public health or safety, and that the occupational
28 regulation is the least restrictive means for furthering that
29 compelling governmental interest. The presiding officer or
30 court in such a proceeding shall make its own findings of
31 fact and conclusions of law with no deference given to any
32 determination by the government or in statute or rule that
33 an occupational regulation serves a compelling governmental
34 interest in protecting against present and recognizable harm to
35 the public health or safety or that the occupational regulation

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1 is the least restrictive means of furthering a compelling
2 governmental interest. An employer may assert a defense
3 or bring an action on behalf of an employee or prospective
4 employee.

5 The bill defines "occupational regulation" as a statute,
6 ordinance, rule, practice, policy, or other requirement in law
7 that an individual possess certain personal qualifications
8 in order to engage in a lawful occupation. "Occupational
9 regulation" excludes a business license and zoning and
10 land use regulations except to the extent such requirements
11 regulate an individual's personal qualifications to perform
12 a lawful occupation. The bill defines "substantial burden"
13 as a requirement in an occupational regulation that imposes
14 significant difficulty or cost on an individual seeking to
15 enter into or continue in a lawful occupation. "Substantial
16 burden" means a burden that is more than incidental. The
17 bill defines "government" as any agency or other entity
18 of government of this state or of any of its political
19 subdivisions.

20 The bill defines "least restrictive means of furthering
21 a compelling governmental interest" as, from least to most
22 restrictive, absence of any occupational regulations, a
23 provision for private civil action in small claims or district
24 court to remedy consumer harm, inspection requirements,
25 bonding or insurance requirements, registration requirements,
26 certification requirements, and occupational license
27 requirements.

28 The bill permits an individual to use the words "registered"
29 or "certified" as a designated title or as part of a designated
30 title if the individual meets the requirements for registration
31 or certification established by a private registration or
32 certification organization. An individual cannot portray such
33 registration or certification as granted by the government.

34 The bill is to be liberally construed to protect the right
35 established by the bill. The bill is not to be construed to

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1 create a right of action against a private party or to require
2 a private party to do business with an individual who is not
3 licensed, certified, or registered with the government. The
4 bill is not to be construed to create a right of action against
5 the federal government for its use of a state occupational
6 regulation in federal law.



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House File 2238 - Introduced

HOUSE FILE 2238

BY STECKMAN, MURPHY, PRICHARD,
STAED, STUTSMAN, LENSING,
HANSON, WESSEL-KROESCHELL,
H. MILLER, DAWSON, KOESTER,
MASCHER, WOOD, MUHLBAUER,
COHOON, ABDUL-SAMAD, WOLFE,
BEARINGER, OURTH, KEARNS,
ANDERSON, HEDDENS, LYKAM,
M. SMITH, RIDING, WINCKLER,
JACOBY, DUNKEL, OLDSON,
KAJTAZOVIC, THEDE, LUNDBY,
GASKILL, and GAINES

A BILL FOR

1 An Act including children who have been subjected to human
2 trafficking in child in need of assistance provisions under
3 the juvenile justice code.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5550YH (3) 85
jp/nh



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H.F. 2238

1 Section 1. Section 232.2, subsection 6, Code 2014, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. r. Who has been subjected to human
4 trafficking as defined in section 710A.1.

5 EXPLANATION

6 The inclusion of this explanation does not constitute agreement with
7 the explanation's substance by the members of the general assembly.

8 This bill includes children who have been subjected to human
9 trafficking as defined in Code section 710A.1 in child in need
10 of assistance provisions under the juvenile justice code.

11 The bill amends the definition of child in need of assistance
12 in Code section 232.2 to include such children.

13 Code section 710A.1 defines the term "human trafficking" to
14 mean participating in a venture to recruit, harbor, transport,
15 supply provisions, or obtain a person for any of the following
16 purposes: forced labor or service that results in involuntary
17 servitude, peonage, debt bondage, or slavery or commercial
18 sexual activity through the use of force, fraud, or coercion,
19 except that if the trafficked person is under the age of 18,
20 the commercial sexual activity need not involve force, fraud,
21 or coercion. The term also means knowingly purchasing or
22 attempting to purchase services involving commercial sexual
23 activity from a victim or another person engaged in human
24 trafficking.

25 The Code section 232.2 definition is applied by the juvenile
26 court, department of human services, and others engaged in the
27 protection of children under the juvenile justice code.



Iowa General Assembly
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House File 2239 - Introduced

HOUSE FILE 2239
BY ISENHART

A BILL FOR

1 An Act relating to the local food and farm program fund, by
2 making a name change and making an appropriation to the fund
3 to support projects for the development or expansion of food
4 hubs or farming innovation zones.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5383YH (7) 85
da/rj



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1 Section 1. Section 267A.2, subsection 4, Code 2014, is
2 amended to read as follows:

3 4. "*Fund*" means the local food and farm ~~program~~ innovation
4 fund created in section 267A.5.

5 Sec. 2. Section 267A.5, Code 2014, is amended to read as
6 follows:

7 **267A.5 Local food and farm ~~program~~ innovation fund.**

8 A local food and farm ~~program~~ innovation fund is created in
9 the state treasury under the control of the department. The
10 fund is separate from the general fund of the state. The fund
11 is composed of moneys appropriated by the general assembly and
12 moneys available to and obtained or accepted by the local food
13 and farm program from the United States government or private
14 sources for placement in the fund. Moneys in the fund shall
15 be used to carry out the purpose and goals of this chapter
16 as provided in section 267A.1, including but not limited to
17 administering the local food and farm program as provided in
18 section 267A.6. The fund shall be managed by the department in
19 consultation with the local food and farm coordinator, under
20 the supervision of the local food and farm program council.

21 Sec. 3. LOCAL FOOD AND FARM INNOVATION FUND — APPROPRIATION
22 TO SUPPORT FOOD HUBS OR FARMING INNOVATION ZONES PROJECTS.

23 1. There is appropriated from the general fund of the state
24 to the local food and farm innovation fund created in section
25 267A.5, as amended by this Act, for the fiscal year beginning
26 July 1, 2014, and ending June 30, 2015, the following amount,
27 or so much thereof as is necessary, to be used for the purposes
28 designated:

29 For purposes of supporting food hubs or farming innovation
30 zones projects as provided in this section:

31 \$ 1,000,000

32 2. Moneys appropriated in subsection 1 shall be allocated by
33 the local food and farm program council established pursuant
34 to section 267A.3 to support projects for the development or
35 expansion of food hubs or farming innovation zones in this

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1 state.

2 a. A food hub must be a centrally located facility with a
3 business management structure facilitating the aggregation,
4 storage, processing, distribution, or marketing of locally or
5 regionally produced food or food products.

6 b. A farming innovation zone must be a publicly recognized
7 location for research, development, demonstration, and
8 education that does all of the following:

9 (1) Prepares beginning farmers for the production of
10 diversified food products in Iowa for processing, wholesaling,
11 and retailing on a local or regional basis.

12 (2) Fosters the diversification of farm operations in which
13 existing producers are engaged.

14 (3) Supports the creation and expansion of production and
15 market infrastructure for a local foods economy, including but
16 not limited to food hubs.

17 3. Notwithstanding section 8.33, moneys that remain
18 unencumbered or unobligated at the end of the fiscal year shall
19 not revert but shall remain available to support the purposes
20 of this section for the succeeding fiscal year.

21 EXPLANATION

22 The inclusion of this explanation does not constitute agreement with
23 the explanation's substance by the members of the general assembly.

24 BILL'S PROVISIONS — NAME CHANGE. This bill changes the name
25 of the local food and farm program fund to the local food and
26 farm innovation fund.

27 BILL'S PROVISIONS — APPROPRIATION. The bill appropriates
28 \$1 million from the general fund of the state to the renamed
29 local food and farm innovation fund for the fiscal year
30 beginning July 1, 2014, and ending June 30, 2015, to support
31 projects for the development or expansion of food hubs or
32 farming innovation zones in this state. Any unencumbered
33 or unobligated moneys at the end of the fiscal year are to
34 remain available to support the purposes of this section for
35 the succeeding fiscal year. The bill provides that a food

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1 hub must be used to facilitate the aggregation, storage,
2 processing, distribution, or marketing of locally or regionally
3 produced food or food products. The bill provides that a farm
4 innovation zone provides research, development, demonstration,
5 and education to (1) prepare beginning farmers for local
6 production and retailing, (2) foster diversification of farm
7 operations, and (3) support the creation and expansion of
8 infrastructure for a local foods economy.



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House File 2240 - Introduced

HOUSE FILE 2240
BY ISENHART, JACOBY, and
LENSING

A BILL FOR

1 An Act relating to food waste landfill diversion demonstration
2 projects and making an appropriation.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 6021YH (5) 85
tm/nh



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H.F. 2240

1 Section 1. FOOD WASTE LANDFILL DIVERSION DEMONSTRATION
2 PROJECTS.

3 1. There is appropriated from the general fund of the state
4 to the department of natural resources for the fiscal year
5 beginning July 1, 2014, and ending June 30, 2015, the following
6 amount, or so much thereof as is necessary, to be used for the
7 purposes designated:

8 For providing grants to solid waste agencies for food waste
9 landfill diversion demonstration projects:

10 \$ 200,000

11 2. Demonstration project grants shall be used to subsidize
12 municipal or private solid waste agencies to partially
13 offset the costs of collecting and transporting food waste
14 for composting or anaerobic digestion until route density or
15 collected tonnage allow the collection and transportation to
16 become economically self-supporting.

17 3. A demonstration project grant awarded pursuant to
18 this section shall be for a demonstration project to divert
19 commercial, institutional, and industrial food waste from a
20 landfill. Under a competitive application process, a solid
21 waste agency may apply for a grant amount of up to 50 percent
22 of the project costs, as matched by a cash contribution from
23 the solid waste agency, not to exceed \$50,000. At least two
24 grants shall be awarded to applicants with an existing food
25 waste composting facility or an anaerobic digestion facility
26 targeting food residuals in their territory and at least
27 two grants shall be awarded to applicants establishing such
28 facilities on or after July 1, 2014.

29 EXPLANATION

30 The inclusion of this explanation does not constitute agreement with
31 the explanation's substance by the members of the general assembly.

32 This bill relates to food waste landfill diversion
33 demonstration projects.

34 The bill appropriates \$200,000 to the department of natural
35 resources for providing grants for food waste landfill

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1 diversion demonstration projects. A grant shall be for a
2 demonstration project to divert commercial, institutional, and
3 industrial food waste from a landfill. Under a competitive
4 application process, a solid waste agency may apply for a grant
5 amount of up to 50 percent of the project costs, as matched by
6 a cash contribution from the solid waste agency, not to exceed
7 \$50,000. At least two grants shall be awarded to applicants
8 with an existing food waste composting facility or an anaerobic
9 digestion facility targeting food residuals in their territory
10 and at least two grants shall be awarded to applicants
11 establishing such facilities on or after July 1, 2014.



Iowa General Assembly
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House Resolution 106 - Introduced

HOUSE RESOLUTION NO. 106

BY HUNTER

1 A Resolution requesting the legislative council to
2 establish a legislative interim committee on racial
3 disparity in incarceration rates.
4 WHEREAS, minorities make up a disproportionate share
5 of persons incarcerated in county jails and prisons in
6 this state; and
7 WHEREAS, this disparity has existed for many years
8 and has negatively impacted many minority communities
9 throughout the state; and
10 WHEREAS, a review of the incarceration practices
11 in this state and in particular the impact of
12 incarceration on minority populations should be
13 conducted; and
14 WHEREAS, the review of racial disparity in
15 incarceration rates should include a review of the
16 entire criminal justice system that potentially impacts
17 incarceration rates including but not limited to
18 arrests, prosecutions, sentences, and offenses with the
19 greatest impact on minority communities; and
20 WHEREAS, the interim committee should include
21 legislators, the attorney general, a county attorney,
22 a peace officer from a city with a population greater
23 than 100,000, a peace officer from a city with a
24 population between 10,000 and 100,000, a peace officer
25 from a city with a population of 10,000 or less, a
26 representative of the department of human rights, a
27 representative of the Iowa civil rights commission,
28 a representative of the American civil liberties

LSB 5591YH (4) 85

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H.R. 106

1 union of Iowa, and three representatives of nonprofit
2 organizations in this state that represent minority
3 interests; NOW THEREFORE,

4 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES, That
5 the legislative council is requested to establish a
6 legislative interim study committee on racial disparity
7 in incarceration rates for the 2014 legislative interim
8 to review the reasons for such a disparity and to make
9 recommendations and to file a final report with the
10 general assembly by January 15, 2015.

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House Study Bill 639 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
PUBLIC SAFETY BILL BY
CHAIRPERSON BAUDLER)

A BILL FOR

1 An Act establishing a crime stopper surcharge, creating a crime
2 stopper fund, and making appropriations.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5386YC (4) 85
jm/rj



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H.F. _____

1 Section 1. **NEW SECTION. 80.55 Crime stopper surcharge fund.**

2 1. A crime stopper surcharge fund is created in the office
3 of the treasurer of state under the control of the department
4 of public safety. Any moneys annually appropriated, granted,
5 or credited to the fund, including any federal moneys, are
6 appropriated to the department of public safety for use by
7 crime stopper programs throughout the state or other programs
8 with a similar dedicated purpose.

9 2. Notwithstanding section 12C.7, subsection 2, interest
10 and earnings on moneys deposited in the fund shall be credited
11 to the fund. Notwithstanding section 8.33, moneys remaining
12 in the fund at the end of the fiscal year shall not revert to
13 any other fund but shall remain available to be used for the
14 purposes specified in subsection 1.

15 Sec. 2. Section 356.7, subsection 1, Code 2014, is amended
16 to read as follows:

17 1. a. The county sheriff, or a municipality operating a
18 temporary municipal holding facility or jail, may charge a
19 prisoner who is eighteen years of age or older and who has been
20 convicted of a criminal offense or sentenced for contempt of
21 court for violation of a domestic abuse order for all of the
22 ~~actual~~ following:

23 (1) Actual administrative costs relating to the arrest and
24 booking of that prisoner, ~~for room.~~

25 (2) Room and board provided to the prisoner while in the
26 custody of the county sheriff or municipality, ~~and for any plus~~
27 a crime stopper surcharge equal to one percent of the total
28 charged for room and board if a crime stopper program exists
29 in the county or municipality.

30 (3) Any medical aid provided to the prisoner under section
31 356.5. ~~Moneys~~

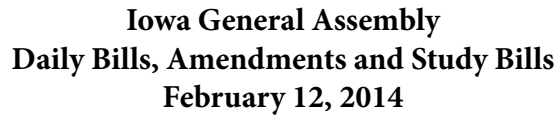
32 b. (1) Except as provided in subparagraph (2), moneys
33 collected by the sheriff or municipality under this section
34 shall be credited respectively to the county general fund or
35 the city general fund and distributed as provided in this

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1 office of the treasurer of state under the control of the
2 department of public safety.
3 The bill specifies that moneys credited to the fund are to be
4 used for crime stopper programs throughout the state or other
5 programs with a similar dedicated purpose. All moneys and
6 interest deposited in the crime stopper surcharge fund shall
7 remain in the fund at the end of the fiscal year and shall not
8 revert to any other fund but shall remain available to be used
9 for the purposes specified in the bill.



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House Study Bill 640 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
PUBLIC SAFETY BILL BY
CHAIRPERSON BAUDLER)

A BILL FOR

1 An Act adding the hallucinogenic substance kratom to the
2 list of schedule I controlled substances, and providing
3 penalties.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5121YC (2) 85
jm/nh



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H.F. _____

1 Section 1. Section 124.204, subsection 4, Code 2014, is
2 amended by adding the following new paragraph:
3 NEW PARAGRAPH. *aj.* Mitragyna speciosa korth, also known as
4 kratom.

5 EXPLANATION

6 The inclusion of this explanation does not constitute agreement with
7 the explanation's substance by the members of the general assembly.

8 This bill adds the hallucinogenic substance "mitragyna
9 speciosa korth", also known as "kratom", to the list of
10 schedule I controlled substances. A schedule I controlled
11 substance is considered to have a high potential for abuse and
12 has no medical purpose in treatment in the United States, or
13 lacks accepted safety procedures for use in treatment under
14 medical supervision.

15 The bill makes it a class "C" felony pursuant to Code section
16 124.401, subsection 1, paragraph "c", subparagraph (8), for
17 any unauthorized person to manufacture, deliver, or possess
18 with the intent to manufacture or deliver, mitragyna speciosa
19 korth, or to act with, enter a common scheme or design with,
20 or conspire with one or more other persons to manufacture,
21 deliver, or possess with the intent to manufacture or deliver
22 mitragyna speciosa korth.

23 The bill also makes it a serious misdemeanor pursuant to Code
24 section 124.401, subsection 5, for any unauthorized person to
25 possess mitragyna speciosa korth.

26 A class "C" felony is punishable by confinement for no more
27 than 10 years and a fine of at least \$1,000 but not more than
28 \$10,000. A serious misdemeanor is punishable by confinement
29 for no more than one year and a fine of at least \$315 but not
30 more than \$1,875.



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House Study Bill 641 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON COWNIE)

A BILL FOR

1 An Act relating to information required for inclusion in
2 petitions for an electric transmission line franchise or an
3 extension of franchise, and including effective date and
4 retroactive applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5816YC (1) 85
rn/nh



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H.F. _____

1 Section 1. Section 478.3, subsection 2, Code 2014, is
2 amended by adding the following new paragraph:
3 NEW PARAGRAPH. *Ob.* Petitions for transmission lines capable
4 of operating at more than one hundred kilovolts direct current
5 and either extending a distance of not less than one mile or
6 extending across state boundaries shall also demonstrate that
7 prior to filing the petition the proposed construction has
8 been examined, accepted, and identified in appendix A of the
9 most recent annual midcontinent independent system operator
10 transmission expansion plan as approved by the midcontinent
11 independent system operator board of directors, or approved
12 as part of the expansion plan of any successor regional
13 transmission organization representing the area in which the
14 proposed lines will be constructed. Notwithstanding paragraph
15 "b", this requirement shall not be subject to waiver by the
16 utilities board.

17 Sec. 2. Section 478.13, Code 2014, is amended by adding the
18 following new subsection:

19 NEW SUBSECTION. 6. If an extension is sought for
20 transmission lines capable of operating at more than one
21 hundred kilovolts direct current and either extending a
22 distance of not less than one mile or extending across state
23 boundaries, the application shall be subject to the requirement
24 in section 478.3, subsection 2, paragraph "ob".

25 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate
26 importance, takes effect upon enactment.

27 Sec. 4. RETROACTIVE APPLICABILITY. This Act applies
28 retroactively to January 1, 2014, for petitions for franchise
29 or extension of franchise filed on or after that date.

30 EXPLANATION

31 The inclusion of this explanation does not constitute agreement with
32 the explanation's substance by the members of the general assembly.

33 This bill relates to information required for inclusion in
34 petitions for an electric transmission line franchise and for
35 extensions of existing franchises.

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1 The bill provides that in the case of petitions for
2 transmission lines capable of operating at more than 100
3 kilovolts direct current and either extending a distance of not
4 less than one mile or extending across state boundaries, the
5 petition shall demonstrate that prior to filing the petition
6 the proposed construction has been examined, accepted, and
7 identified in appendix A of the most recent annual midcontinent
8 independent system operator transmission expansion plan as
9 approved by the midcontinent independent system operator board
10 of directors, or approved as part of the expansion plan of
11 any successor regional transmission organization representing
12 the area in which the proposed line will be constructed.
13 This requirement shall not be subject to waiver by the Iowa
14 utilities board. The bill makes these provisions applicable to
15 the filing of an application for an extension of an existing
16 franchise.
17 The bill takes effect upon enactment and applies
18 retroactively to January 1, 2014, for petitions for franchise
19 or extension of franchise filed on or after that date.



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Senate File 2133

S-5003

- 1 Amend Senate File 2133 as follows:
2 1. Page 1, line 11, after <contrary,> by inserting
3 <after the seventh day following the filing of a
4 delinquency proceeding>
5 2. Page 2, line 31, by striking <actual>

JANET PETERSEN



Iowa General Assembly
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Senate File 2160 - Introduced

SENATE FILE 2160
BY COMMITTEE ON HUMAN
RESOURCES

(SUCCESSOR TO SSB 3054)

A BILL FOR

1 An Act relating to third-party payment of services provided by
2 physical therapists, occupational therapists, and speech
3 pathologists.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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ad/rj



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S.F. 2160

1 Section 1. **NEW SECTION. 514C.30 Services provided**
2 **by a physical therapist, occupational therapist, or speech**
3 **pathologist.**

4 1. Notwithstanding the uniformity of treatment requirements
5 of section 514C.6, a policy, contract, or plan providing
6 for third-party payment or prepayment of health or medical
7 expenses shall not impose a copayment or coinsurance amount
8 on an insured for services provided by a physical therapist
9 licensed pursuant to chapter 148A, by an occupational therapist
10 licensed pursuant to chapter 148B, or by a speech pathologist
11 licensed pursuant to 154F that is greater than the copayment or
12 coinsurance amount imposed on the insured for services provided
13 by a person engaged in the practice of medicine and surgery
14 or osteopathic medicine and surgery under chapter 148 for the
15 same or a similar diagnosed condition even if a different
16 nomenclature is used to describe the condition for which the
17 services are provided.

18 2. This section applies to the following classes of
19 third-party payment provider policies, contracts, or plans
20 delivered, issued for delivery, continued, or renewed in this
21 state on or after July 1, 2014:

22 a. Individual or group accident and sickness insurance
23 providing coverage on an expense-incurred basis.

24 b. An individual or group hospital or medical service
25 contract issued pursuant to chapter 509, 514, or 514A.

26 c. An individual or group health maintenance organization
27 contract regulated under chapter 514B.

28 d. A plan established pursuant to chapter 509A for public
29 employees.

30 e. An organized delivery system licensed by the director of
31 public health.

32 3. This section shall not apply to accident-only,
33 specified disease, short-term hospital or medical, hospital
34 confinement indemnity, credit, dental, vision, Medicare
35 supplement, long-term care, basic hospital and medical-surgical

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1 expense coverage as defined by the commissioner, disability
2 income insurance coverage, coverage issued as a supplement
3 to liability insurance, workers' compensation or similar
4 insurance, or automobile medical payment insurance.

5 EXPLANATION

6 The inclusion of this explanation does not constitute agreement with
7 the explanation's substance by the members of the general assembly.

8 This bill provides that a policy, contract, or plan
9 providing for third-party payment or prepayment of health or
10 medical expenses shall not impose a copayment or coinsurance
11 amount on an insured for services provided by a physical
12 therapist, occupational therapist, or speech pathologist that
13 is greater than the copayment or coinsurance amount imposed on
14 the insured for services rendered by a person engaged in the
15 practice of medicine and surgery or osteopathic medicine and
16 surgery for the same or a similar diagnosed condition even if a
17 different nomenclature is used to describe the condition for
18 which the services are provided.

19 The bill applies to specified individual and group policies,
20 contracts, and plans that are issued for delivery, continued,
21 or renewed in this state on or after July 1, 2014.



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Senate File 2161 - Introduced

SENATE FILE 2161
BY BOLKCOM

A BILL FOR

1 An Act relating to the use of certain chemicals in children's
2 products, providing civil penalties, and including effective
3 date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 135.191 Definitions.

2 For purposes of this division, unless the context otherwise
3 requires:

4 1. "Child" means a person under eighteen years of age.

5 2. "Children's product" means a product primarily designed
6 or intended by a manufacturer to be physically applied to or
7 introduced into a child's body, including any article used as
8 a component of such product. "Children's product" does not
9 include a food, beverage, dietary supplement, pharmaceutical
10 product or biologic product, children's toy that is covered
11 by the ASTM (American society for testing and materials)
12 international standard F963 for toy safety, or medical device
13 as defined in the federal Food, Drug, and Cosmetic Act, 21
14 U.S.C. §321(h).

15 Sec. 2. NEW SECTION. 135.192 Use of certain chemicals in
16 children's products — prohibition.

17 1. Beginning January 1, 2015, a manufacturer or wholesaler
18 shall not sell or offer to sell in this state a children's
19 product that intentionally contains any of the following:

20 a. Formaldehyde, including formaldehyde contained in a
21 solution.

22 b. Ingredients that chemically degrade under normal
23 conditions of temperature and pressure resulting in a release
24 of formaldehyde.

25 2. Beginning January 1, 2016, a retailer shall not sell
26 or offer to sell in this state a children's product that
27 intentionally contains any of the following:

28 a. Formaldehyde, including formaldehyde contained in a
29 solution.

30 b. Ingredients that chemically degrade under normal
31 conditions of temperature and pressure resulting in a release
32 of formaldehyde.

33 Sec. 3. NEW SECTION. 135.193 Replacement chemicals.

34 A manufacturer shall not replace a chemical whose use is
35 prohibited in section 135.192 with a chemical known to the

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1 manufacturer to have been identified on the basis of credible
2 scientific evidence by a state, federal, or international
3 agency as being known or suspected with a high degree of
4 probability to do any of the following:

5 1. Harm the normal development of a fetus or child or cause
6 other developmental toxicity.

7 2. Cause cancer, genetic damage, or reproductive harm.

8 3. Disrupt the endocrine or hormone system.

9 4. Damage the nervous system, immune system, or organs, or
10 cause other systemic toxicity.

11 Sec. 4. NEW SECTION. 135.194 Civil penalty.

12 A person who violates a provision of this division is subject
13 to a civil penalty of five hundred dollars for each violation.

14 Sec. 5. EFFECTIVE DATE. This Act takes effect January 1,
15 2015.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with
18 the explanation's substance by the members of the general assembly.

19 This bill relates to the use of certain chemicals in
20 children's products.

21 The bill, beginning January 1, 2015, prohibits a
22 manufacturer or wholesaler from selling or offering for sale
23 in this state a children's product that intentionally contains
24 formaldehyde or ingredients that chemically degrade under
25 normal conditions of temperature and pressure to release
26 formaldehyde. The bill, beginning January 1, 2016, prohibits
27 a retailer from selling or offering for sale in this state a
28 children's product that intentionally contains formaldehyde or
29 ingredients that chemically degrade under normal conditions of
30 temperature and pressure to release formaldehyde. The bill
31 prohibits a manufacturer from replacing a chemical prohibited
32 by the provisions of the bill with a chemical known to the
33 manufacturer to have been identified as causing certain
34 enumerated types of biological harm. The bill provides that a
35 person who violates the provisions of the bill is subject to a

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1 civil penalty of \$500 for each violation.

2 The bill takes effect January 1, 2015.



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Senate File 2162 - Introduced

SENATE FILE 2162
BY PETERSEN

A BILL FOR

1 An Act requiring the chief technology officer to implement
2 a confidential common database in conjunction with
3 state agencies involved with administering or verifying
4 eligibility for public benefits programs.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. **8B.25 Public benefits data sharing.**

2 1. For the purposes of this section, "*public benefit*
3 *programs*" means programs that assist low-income individuals and
4 families and include but are not limited to the elder Iowan
5 support programs administered by the department on aging,
6 meal and nutrition programs administered by the department of
7 education, the child care, family investment, food assistance,
8 and medical assistance programs administered by the department
9 of human services, the housing programs administered by the
10 Iowa finance authority, and the health and wellness programs
11 administered by the department of public health.

12 2. The chief technology officer shall work with the
13 department on aging, the departments of education, health,
14 human services, and revenue, the Iowa finance authority, and
15 other state agencies responsible for administering or verifying
16 eligibility for public benefit programs to develop a common
17 database for the programs. The purpose of the common database
18 is to improve and reduce the costs of administering the public
19 benefits and to enable the sharing of confidential information
20 to assist applicants and recipients. The issues addressed
21 in developing the common database shall include but are not
22 limited to all of the following:

23 *a.* Maintaining the confidentiality of the personal
24 information provided by applicants and recipients of the public
25 benefits.

26 *b.* Enabling the capacity for data sharing between the
27 agencies using the database.

28 *c.* Improving the ability of persons seeking public benefits
29 to have access to the benefits for which they are eligible.

30 *d.* Enabling applicants for and recipients of public benefits
31 programs to apply for the programs and access their own
32 information relative to the programs through the internet and
33 by use of a telephone mobile computer device.

34 3. The chief technology officer shall initially implement
35 the common database with one or more pilot projects that

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1 shall be expanded as the projects are perfected. The chief
2 technology officer and each of the departments and agencies
3 using the common database shall report annually by December
4 15 to the governor and the general assembly concerning the
5 status of the database, including but not limited to any
6 administrative cost reductions realized and improvements made
7 for the applicants for and recipients of each of the public
8 benefit programs included in the database.

9 EXPLANATION

10 The inclusion of this explanation does not constitute agreement with
11 the explanation's substance by the members of the general assembly.

12 This bill requires the chief technology officer to implement
13 a confidential common database in conjunction with other state
14 agencies involved with administering public benefit programs.

15 The term "public benefit programs" is defined by the bill to
16 mean programs that assist low-income individuals and families,
17 including various programs specifically listed.

18 The purpose of the common database is to improve and reduce
19 the costs of administering the public benefits and to enable
20 the sharing of confidential information. Development of the
21 database is required to address issues specified by the bill,
22 including capacity to apply for and access public benefit
23 programs and related information through the internet and by
24 using a telephone mobile computer device.

25 Initially, the database is to be implemented with one or
26 more pilot projects that are to be expanded as the projects
27 are perfected. An annual report to the governor and general
28 assembly is required.



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Senate File 2163 - Introduced

SENATE FILE 2163
BY SODDERS

A BILL FOR

1 An Act relating to the calculation of the amount of the child
2 and dependent care tax credit, and including effective date
3 and retroactive applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 422.12C, subsection 1, unnumbered
2 paragraph 1, Code 2014, is amended to read as follows:
3 The taxes imposed under this division, less the amounts
4 of nonrefundable credits allowed under this division, shall
5 be reduced by a child and dependent care credit equal to the
6 following percentages of the federal child and dependent care
7 credit provided in section 21 of the Internal Revenue Code,
8 without regard to whether or not the federal credit was limited
9 by the taxpayer's federal tax liability:

10 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
11 immediate importance, takes effect upon enactment.

12 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies
13 retroactively to January 1, 2012, for tax years beginning on
14 or after that date.

15 EXPLANATION

16 The inclusion of this explanation does not constitute agreement with
17 the explanation's substance by the members of the general assembly.

18 This bill relates to the Iowa child and dependent care tax
19 credit available against the individual income tax. The Iowa
20 child and dependent care tax credit is a refundable credit
21 calculated as a percentage of the nonrefundable federal child
22 and dependent care tax credit, depending on the Iowa net income
23 of the taxpayer.

24 Iowa Administrative Code 701-42.15(1), which governs the
25 computation of the Iowa credit, was amended in 2012 to specify
26 that for taxpayers whose federal credit is limited to their
27 federal tax liability, the Iowa credit shall be computed
28 based on the lesser amount. In other words, the amount of
29 the Iowa credit is limited to a percentage of the federal
30 credit actually claimed against federal tax liability, not
31 a percentage of the total federal credit the taxpayer was
32 eligible to claim against federal tax liability.

33 The bill amends Code section 422.12C to provide that the
34 Iowa credit will be calculated as a percentage of the federal
35 credit, whether or not the federal credit was limited by the

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1 taxpayer's federal tax liability.

2 The bill takes effect upon enactment and applies
3 retroactively to January 1, 2012, for tax years beginning on
4 or after that date.



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Senate File 2164 - Introduced

SENATE FILE 2164

BY HATCH

A BILL FOR

1 An Act relating to the individual income tax by modifying the
2 income tax brackets and tax rates, increasing the net income
3 amounts for purposes of the alternate tax and minimum filing
4 thresholds, eliminating the deduction for federal income
5 taxes paid, increasing the personal exemption credit for
6 dependents, and creating an exemption for certain married
7 wage earners, and including effective date and retroactive
8 applicability provisions.
9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 422.4, subsection 1, paragraphs b and c,
2 Code 2014, are amended to read as follows:

3 *b. "Cumulative inflation factor" means the product of the*
4 *annual inflation factor for the ~~1988~~ 2014 calendar year and*
5 *all annual inflation factors for subsequent calendar years*
6 *as determined pursuant to this subsection. The cumulative*
7 *inflation factor applies to all tax years beginning on or after*
8 *January 1 of the calendar year for which the latest annual*
9 *inflation factor has been determined.*

10 *c. The annual inflation factor for the ~~1988~~ 2014 calendar*
11 *year is one hundred percent.*

12 Sec. 2. Section 422.4, subsection 16, Code 2014, is amended
13 to read as follows:

14 16. The words "*taxable income*" mean the net income as
15 defined in section 422.7 minus the deductions allowed by
16 section 422.9, in the case of individuals; in the case of
17 estates or trusts, the words "*taxable income*" mean the taxable
18 income (without a deduction for personal exemption) as computed
19 for federal income tax purposes under the Internal Revenue
20 Code, but with the adjustments specified in section 422.7 plus
21 the Iowa income tax deducted in computing the federal taxable
22 income and minus federal income taxes as provided in section
23 422.9, if available.

24 Sec. 3. Section 422.5, subsection 1, paragraphs a, b, c,
25 d, e, f, g, h, and i, Code 2014, are amended by striking the
26 paragraphs and inserting in lieu thereof the following:

27 *a. On all taxable income from zero through eleven thousand*
28 *seven hundred thirty dollars, three percent.*

29 *b. On all taxable income exceeding eleven thousand seven*
30 *hundred thirty dollars but not exceeding forty-three thousand*
31 *ninety dollars, four percent.*

32 *c. On all taxable income exceeding forty-three thousand*
33 *ninety dollars but not exceeding eighty-eight thousand eight*
34 *hundred twenty-one dollars, six and two-tenths percent.*

35 *d. On all taxable income exceeding eighty-eight thousand*

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1 eight hundred twenty-one dollars, eight and eight-tenths
2 percent.

3 Sec. 4. Section 422.5, subsection 1, paragraph j,
4 subparagraph (1), Code 2014, is amended to read as follows:

5 (1) The tax imposed upon the taxable income of a nonresident
6 shall be computed by reducing the amount determined pursuant to
7 paragraphs "a" through "i" "d" by the amounts of nonrefundable
8 credits under this division and by multiplying this resulting
9 amount by a fraction of which the nonresident's net income
10 allocated to Iowa, as determined in section 422.8, subsection
11 2, paragraph "a", is the numerator and the nonresident's total
12 net income computed under section 422.7 is the denominator.
13 This provision also applies to individuals who are residents of
14 Iowa for less than the entire tax year.

15 Sec. 5. Section 422.5, subsection 1, paragraph j,
16 subparagraph (2), subparagraph division (a), Code 2014, is
17 amended to read as follows:

18 (a) The tax imposed upon the taxable income of a resident
19 shareholder in an S corporation or of an estate or trust with
20 a situs in Iowa that is a shareholder in an S corporation,
21 which S corporation has in effect for the tax year an election
22 under subchapter S of the Internal Revenue Code and carries
23 on business within and without the state, may be computed by
24 reducing the amount determined pursuant to paragraphs "a"
25 through "i" "d" by the amounts of nonrefundable credits under
26 this division and by multiplying this resulting amount by a
27 fraction of which the resident's or estate's or trust's net
28 income allocated to Iowa, as determined in section 422.8,
29 subsection 2, paragraph "b", is the numerator and the resident's
30 or estate's or trust's total net income computed under section
31 422.7 is the denominator. If a resident shareholder, or an
32 estate or trust with a situs in Iowa that is a shareholder,
33 has elected to take advantage of this subparagraph (2), and
34 for the next tax year elects not to take advantage of this
35 subparagraph, the resident or estate or trust shareholder shall



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1 not reelect to take advantage of this subparagraph for the
2 three tax years immediately following the first tax year for
3 which the shareholder elected not to take advantage of this
4 subparagraph, unless the director consents to the reelection.
5 This subparagraph also applies to individuals who are residents
6 of Iowa for less than the entire tax year.

7 Sec. 6. Section 422.5, subsection 2, paragraph a, Code 2014,
8 is amended to read as follows:

9 a. There is imposed upon every resident and nonresident of
10 this state, including estates and trusts, the greater of the
11 tax determined in subsection 1, paragraphs "a" through "d" and
12 "j", or the state alternative minimum tax equal to seventy-five
13 percent of the maximum state individual income tax rate for the
14 tax year, rounded to the nearest one-tenth of one percent, of
15 the state alternative minimum taxable income of the taxpayer as
16 computed under this subsection.

17 Sec. 7. Section 422.5, subsection 3, Code 2014, is amended
18 to read as follows:

19 3. a. The tax shall not be imposed on a resident or
20 nonresident whose net income, as defined in section 422.7, is
21 ~~thirteen~~ twenty-four thousand five hundred dollars or less in
22 the case of married persons filing jointly or filing separately
23 on a combined return, heads of household, and surviving spouses
24 or ~~nine~~ twenty thousand dollars or less in the case of all
25 other persons; but in the event that the payment of tax under
26 this division would reduce the net income to less than ~~thirteen~~
27 twenty-four thousand five hundred dollars or ~~nine~~ twenty
28 thousand dollars, as applicable, then the tax shall be reduced
29 to that amount which would result in allowing the taxpayer
30 to retain a net income of ~~thirteen~~ twenty-four thousand five
31 hundred dollars or ~~nine~~ twenty thousand dollars, as applicable.
32 The preceding sentence does not apply to estates or trusts.
33 For the purpose of this subsection, the entire net income,
34 including any part of the net income not allocated to Iowa,
35 shall be taken into account. For purposes of this subsection,

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1 net income includes all amounts of pensions or other retirement
2 income received from any source which is not taxable under
3 this division as a result of the government pension exclusions
4 in section 422.7, or any other state law. If the combined
5 net income of a husband and wife exceeds ~~thirteen~~ twenty-four
6 thousand five hundred dollars, neither of them shall receive
7 the benefit of this subsection, and it is immaterial whether
8 they file a joint return or separate returns. However, if a
9 husband and wife file separate returns and have a combined net
10 income of ~~thirteen~~ twenty-four thousand five hundred dollars
11 or less, neither spouse shall receive the benefit of this
12 paragraph, if one spouse has a net operating loss and elects
13 to carry back or carry forward the loss as provided in section
14 422.9, subsection 3. A person who is claimed as a dependent
15 by another person as defined in section 422.12 shall not
16 receive the benefit of this subsection if the person claiming
17 the dependent has net income exceeding ~~thirteen~~ twenty-four
18 thousand five hundred dollars or ~~nine~~ twenty thousand dollars,
19 as applicable, or the person claiming the dependent and the
20 person's spouse have combined net income exceeding ~~thirteen~~
21 twenty-four thousand five hundred dollars or ~~nine~~ twenty
22 thousand dollars, as applicable.

23 b. In lieu of the computation in subsection 1 or 2, or in
24 paragraph "a" of this subsection, if the married persons',
25 filing jointly or filing separately on a combined return,
26 head of household's, or surviving spouse's net income exceeds
27 ~~thirteen~~ twenty-four thousand five hundred dollars, the regular
28 tax imposed under this division shall be the lesser of the
29 maximum state individual income tax rate times the portion
30 of the net income in excess of ~~thirteen~~ twenty-four thousand
31 five hundred dollars or the regular tax liability computed
32 without regard to this sentence. Taxpayers electing to file
33 separately shall compute the alternate tax described in this
34 paragraph using the total net income of the husband and wife.
35 The alternate tax described in this paragraph does not apply

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1 if one spouse elects to carry back or carry forward the loss as
2 provided in section 422.9, subsection 3.

3 Sec. 8. Section 422.5, subsection 6, Code 2014, is amended
4 to read as follows:

5 6. Upon determination of the latest cumulative inflation
6 factor, the director shall multiply each dollar amount set
7 forth in subsection 1, paragraphs "a" through "~~i~~" "d" by this
8 cumulative inflation factor, shall round off the resulting
9 product to the nearest one dollar, and shall incorporate the
10 result into the income tax forms and instructions for each tax
11 year.

12 Sec. 9. Section 422.7, Code 2014, is amended by adding the
13 following new subsection:

14 NEW SUBSECTION. 48. a. Subtract, to the extent not
15 otherwise excluded, the total amount of wages received by a
16 secondary wage earner, up to a maximum of one thousand dollars.

17 b. Subtract, to the extent not otherwise excluded, the total
18 amount of wages received by an identical wage earner, up to a
19 maximum of five hundred dollars per identical wage earner.

20 c. For purposes of this subsection:

21 (1) "*Identical wage earner*" means a married person who, with
22 respect to a tax year, received the same amount of wages as the
23 spouse of the married person.

24 (2) "*Secondary wage earner*" means a married person who, with
25 respect to a tax year, received a lower amount of wages than
26 the spouse of the married person.

27 Sec. 10. Section 422.9, subsection 1, Code 2014, is amended
28 to read as follows:

29 1. An optional standard deduction, after deduction
30 of federal income tax if available, equal to one thousand
31 two hundred thirty dollars for a married person who files
32 separately or a single person or equal to three thousand
33 thirty dollars for a husband and wife who file a joint return,
34 a surviving spouse, or a head of household. The optional
35 standard deduction shall not exceed the amount remaining after



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1 deduction of the federal income tax, if available. The amount
2 of federal income tax deducted shall be computed as provided
3 in subsection 2, paragraph "b".

4 Sec. 11. Section 422.9, subsection 2, paragraph b, Code
5 2014, is amended to read as follows:

6 b. Add the amount of federal income taxes paid ~~or accrued~~,
7 ~~as the case may be~~, during the tax year beginning on or after
8 January 1, 2014, but before January 1, 2015, to the extent
9 payment is for a tax year beginning prior to January 1, 2014,
10 and subtract any federal income tax refunds received during
11 the tax year beginning on or after January 1, 2014, but before
12 January 1, 2015, to the extent the federal income tax was
13 deducted for a tax year beginning prior to January 1, 2014.

14 Where married persons, who have filed a joint federal income
15 tax return, file separately, such total shall be divided
16 between them according to the portion of the total paid or
17 accrued, as the case may be, by each. Federal income taxes
18 paid for a tax year in which an Iowa return was not required
19 to be filed shall not be added and federal income tax refunds
20 received from a tax year in which an Iowa return was not
21 required to be filed shall not be subtracted.

22 Sec. 12. Section 422.11B, subsection 1, paragraph a, Code
23 2014, is amended to read as follows:

24 a. There is allowed as a credit against the tax determined
25 in section 422.5, subsection 1, paragraphs "a" through "d" and
26 "j" for a tax year an amount equal to the minimum tax credit for
27 that tax year.

28 Sec. 13. Section 422.11B, subsection 2, Code 2014, is
29 amended to read as follows:

30 2. a. The allowable credit under subsection 1 for a tax
31 year shall not exceed the excess, if any, of the tax determined
32 in section 422.5, subsection 1, paragraphs "a" through "d" and
33 "j" over the state alternative minimum tax as determined in
34 section 422.5, subsection 2.

35 b. The net minimum tax for a tax year is the excess, if any,

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1 of the tax determined in section 422.5, subsection 2, for the
2 tax year over the tax determined in section 422.5, subsection
3 1, paragraphs "a" through "d" and "j" for the tax year.

4 Sec. 14. Section 422.12, subsection 2, paragraph a,
5 subparagraph (3), Code 2014, is amended to read as follows:

6 (3) For each dependent, an additional ~~forty~~ five hundred
7 dollars.

8 Sec. 15. Section 422.13, subsection 1, paragraph a, Code
9 2014, is amended to read as follows:

10 a. The individual has net income of more than ~~nine~~ twenty
11 thousand dollars for the tax year from sources taxable under
12 this division.

13 Sec. 16. EFFECTIVE UPON ENACTMENT. This Act, being deemed
14 of immediate importance, takes effect upon enactment.

15 Sec. 17. RETROACTIVE APPLICABILITY. This Act applies
16 retroactively to January 1, 2014, for tax years beginning on
17 or after that date.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with
20 the explanation's substance by the members of the general assembly.

21 This bill makes several changes to the individual income
22 tax.

23 The bill eliminates the nine existing tax brackets and tax
24 rates and replaces them with four tax brackets and tax rates
25 on taxable income as follows:

- 26 1. From \$0 to \$11,730, 3 percent;
- 27 2. From \$11,731 to \$43,090, 4 percent;
- 28 3. From \$43,091 to \$88,821, 6.20 percent;
- 29 4. From \$88,822 and over, 8.80 percent.

30 The income amounts in each bracket will be adjusted for
31 inflation beginning with the 2015 tax year.

32 The bill increases the net income amounts at which the income
33 tax will not be imposed on a taxpayer who is under 65 years of
34 age to \$24,500 from \$13,500 for married taxpayers, heads of
35 household, or surviving spouses, and to \$20,000 from \$9,000

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1 for a single taxpayer. The bill also amends the alternate
2 tax calculation for a married person, head of household, or
3 surviving spouse under the age of 65 so that it is calculated
4 using the amount of net income in excess of \$24,500 instead
5 of the amount of income in excess of \$13,500. By operation
6 of law and under the bill, a single taxpayer under 65 years
7 of age will not be required to make and file a tax return if
8 the taxpayer's net income is \$20,000 or less, and a married
9 taxpayer, head of household, or surviving spouse will not be
10 required to make and file a tax return if the taxpayer's net
11 income is \$24,500 or less.

12 The bill eliminates the deduction for federal income taxes
13 paid and the inclusion of federal income tax refunds received
14 except for a one-year phase-out in 2014, for taxes paid or
15 refunds received in that year that relate to a prior tax year.

16 The bill increases the personal exemption credit for a
17 dependent to \$500 from \$40.

18 Finally, the bill provides an individual income tax
19 exemption from the computation of net income for the first
20 \$1,000 of wages received by a "secondary wage earner", which is
21 defined in the bill to be a married person who, with respect to
22 a tax year, received a lower amount of wages than the person's
23 spouse. In the event each spouse received the same amount of
24 wages during the tax year, both spouses will be considered an
25 "identical wage earner" and each will be eligible to exempt the
26 first \$500 of wages received.

27 The bill takes effect upon enactment and applies
28 retroactively to January 1, 2014, for tax years beginning on
29 or after that date.



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Senate File 2165 - Introduced

SENATE FILE 2165
BY DVORSKY

A BILL FOR

1 An Act relating to rural water providers by making changes to
2 water service requirements.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5793XS (4) 85
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1 Section 1. Section 357A.1, Code 2014, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 6A. "Rural water association" or
4 "association" means a rural water association organized and
5 incorporated as a cooperative association under chapter 499 or
6 as a nonprofit corporation under chapter 504.

7 Sec. 2. Section 357A.2, subsections 3 and 4, Code 2014, are
8 amended to read as follows:

9 3. Water services, other than water services provided as
10 of April 1, 1987, shall not be provided within two miles of
11 the limits of a city by a rural water district incorporated
12 under this chapter ~~or chapter 504~~ except as provided in this
13 section. Except as otherwise provided in this section, a rural
14 water association shall not provide water services within two
15 miles of a city, other than water services provided as of July
16 1, 2014.

17 4. a. A rural water district ~~incorporated under this~~
18 ~~chapter or chapter 504~~ or rural water association may give
19 notice of intent to provide water service to a new area within
20 two miles of a city by submitting a water plan to the city.
21 This subsection shall not apply in the case of a district or
22 association extending service to new customers or improving
23 existing facilities within existing district or association
24 service areas or under existing district or association
25 agreements. If water service is provided by a city utility
26 established under chapter 388, the water plan shall be filed
27 with the governing body of that city utility. The district
28 or association shall provide written notice pursuant to this
29 subsection by certified mail.

30 b. The water plan ~~is only required to~~ shall indicate
31 the area within two miles of the city which the ~~rural water~~
32 district or association intends to serve within the next three
33 years. Upon request, the city or city utility shall provide
34 a district or association with a map of the city limits that
35 indicates areas that are currently provided water service by

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1 a city utility or enterprise.
2 c. If the city fails to respond to the ~~rural water~~
3 ~~district's water~~ plan within ~~ninety~~ seventy-five days of
4 receipt of the plan, the ~~rural water~~ district or association
5 may provide service in the area designated in the plan. The
6 city may inform the ~~rural water~~ district or association within
7 ~~ninety~~ seventy-five days of receipt of the plan that the city
8 requires additional time or information to study the question
9 of providing water service outside the limits of the city. If
10 additional time or information is required, the city shall
11 respond to the ~~rural water district's~~ plan by certified mail
12 within one hundred eighty sixty-five days of receipt of the
13 plan.
14 d. (1) In responding to the plan, the city may
15 affirmatively waive its right to provide water service within
16 the areas designated for water service by the rural water
17 district, or the city may reserve the right to provide water
18 service in some or all of the areas which the ~~rural water~~
19 district or association intends to serve.
20 (2) (a) If the city reserves the right to provide water
21 service, the city shall provide the district or association
22 with a copy of the city's water plan relating to the city's
23 intent and ability to provide water service to such an area.
24 (b) If the city reserves the right to provide water service
25 within some or all of the areas which the ~~rural water~~ district
26 or association intends to serve, the city shall provide service
27 within ~~four~~ three years of receipt of the water plan submitted
28 under paragraph "a". This section does not preclude a city
29 from providing water service in an area which is annexed by the
30 city.
31 (c) If the city reserving the right to provide service
32 fails to provide service within three years, the city waives
33 its right to provide water service and shall provide notice to
34 the district or association by certified mail and the district
35 or association may provide service within the area of the water



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1 plan submitted under paragraph "a".

2 (3) If the district or association fails to provide
3 service within three years after a city waives the right to
4 provide water service under this paragraph "d", the district or
5 association shall provide notice to the city by certified mail
6 and the city may provide service within the area of the water
7 plan submitted under paragraph "a".

8 (4) For purposes of this paragraph "d", "provide water
9 service" and "provide service" mean to deliver water in
10 sufficient quantity and quality to meet customer demand. The
11 department of natural resources shall determine whether such
12 service is adequately provided.

13 Sec. 3. Section 357A.2, Code 2014, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 5. This section does not preclude a city
16 from providing water service in an area which is annexed by the
17 city pursuant to section 357A.21.

18 Sec. 4. Section 357A.21, Code 2014, is amended to read as
19 follows:

20 **357A.21 Annexation of land by a city — mediation —**
21 **arbitration.**

22 1. A ~~water~~ district ~~organized under this chapter, chapter~~
23 ~~357, 499, or 504~~ or association shall be fairly compensated for
24 losses resulting from annexation. The governing body of a city
25 or water utility and the board of directors or trustees of the
26 ~~water~~ district or association may agree to terms which provide
27 that the facilities owned by the ~~water~~ district or association
28 and located within the city shall be retained by the ~~water~~
29 district or association for the purpose of transporting water
30 to customers outside the city.

31 2. If an agreement is not reached under subsection 1,
32 the governing body of the city or water utility or the board
33 of directors or trustees of the district or association may
34 request mediation pursuant to chapter 679C. The governing
35 body or board requesting mediation shall be responsible for

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1 the costs of the mediation. A mediation committee shall be
2 established if a governing body or board requests mediation
3 pursuant to this subsection. The mediation committee shall
4 consist of one member of the governing body of the city or the
5 governing body's designee, one member of the board of directors
6 or trustees of the district or association, as applicable, and
7 one disinterested member chosen by the other two members. A
8 list of qualified mediators may be obtained from the American
9 arbitration association, the public employment relations board
10 established pursuant to section 20.5, or a recognized mediation
11 organization or association.

12 3. If an agreement is not reached within ninety days, the
13 issues may be submitted to arbitration. If submitted, an
14 arbitrator shall be selected by a committee which includes
15 one member of the governing body of the city or its designee,
16 one member of the ~~water~~ district's or association's board of
17 directors or trustees or its designee, as applicable, and a
18 disinterested party selected by the other two members of the
19 committee. A list of qualified arbitrators may be obtained
20 from the American arbitration association or other recognized
21 arbitration organization or association.

22 Sec. 5. NEW SECTION. 388.11 Liability within two miles.

23 A city or city utility providing water service within two
24 miles of the limits of the city shall not be liable for a claim
25 for failure to provide or maintain fire hydrants, facilities,
26 or an adequate supply of water or water pressure for fire
27 protection purposes in the area receiving water service if such
28 hydrants, facilities, or water supplies are not intended to be
29 used for fire protection purposes.

30 EXPLANATION

31 The inclusion of this explanation does not constitute agreement with
32 the explanation's substance by the members of the general assembly.

33 This bill relates to rural water providers by making changes
34 to water service requirements.

35 The bill defines "rural water association".

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1 The bill places certain limitations on the provision of
2 water services by rural water associations to areas that are
3 within two miles of a city after July 1, 2014.

4 Current law provides that a rural water district may provide
5 notice of intent to provide water service to a new area within
6 two miles of a city by submitting a water service plan to the
7 city. The bill further requires that if a city's water service
8 is provided by a city utility, notice shall be provided to the
9 governing board of the city utility. The bill also provides
10 that the written notice be provided by certified mail.

11 Current law requires that a water plan submitted by a rural
12 water district include the new area that the district intends
13 to serve. The bill requires that a district or association
14 include in its water plan any area that the district or
15 association intends to serve within three years.

16 Current law provides that a city may waive its right to
17 provide water service within the areas designated in a water
18 plan. The bill lowers the number of days for allowable
19 responses to a water plan. The bill requires that a city
20 provide water service to an area within three years if the
21 city reserves the right to provide such service to the area
22 and requires that the city provide the district or association
23 with a copy of the city's water plan relating to the city's
24 intent and ability to provide such service. The bill requires
25 that such water service be provided in sufficient quantity and
26 quality to meet customer demand. The bill provides that if a
27 city reserves such a right and fails to provide service within
28 three years, the city waives its right to provide service. If
29 a city waives the right to provide service, the district or
30 association is permitted to provide service as described in
31 the district or association water plan. The bill requires
32 that such water service be provided in sufficient quantity and
33 quality to meet customer demand.

34 The bill further provides that if the city or city utility
35 cannot reach an agreement for the retention of certain rights

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1 by a district or association, the issues may be submitted to
2 mediation.

3 The bill further provides that a city or city utility
4 providing water service within two miles of the limits of the
5 city is not liable for failure to provide or maintain fire
6 hydrants, facilities, or an adequate supply of water or water
7 pressure for fire protection purposes in the area receiving
8 water service if such hydrants, facilities, or water supplies
9 are not intended to be used for fire protection purposes.



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Senate File 2166 - Introduced

SENATE FILE 2166
BY McCOY

A BILL FOR

1 An Act providing for the regulation of commercial
2 establishments keeping nonagricultural animals, providing
3 for fees and appropriations, and making penalties
4 applicable.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 162.1, subsection 1, paragraph c, Code
2 2014, is amended to read as follows:

3 c. Provide that all ~~vertebrate~~ animals consigned to pet
4 shops are provided humane care and treatment by regulating the
5 transportation, sale, purchase, housing, care, handling, and
6 treatment of such animals by pet shops.

7 Sec. 2. Section 162.2, subsections 5, 6, 14, 15, 16, 17,
8 18, 23, 25, 26, and 27, Code 2014, are amended by striking the
9 subsections.

10 Sec. 3. Section 162.2, subsections 3, 10, and 11, Code 2014,
11 are amended to read as follows:

12 3. "*Animal shelter*" means a facility which is used to
13 receive, rescue, house or contain dogs or cats, or both, and
14 transfer animals and which is owned, operated, or maintained by
15 an incorporated humane society, animal welfare society, society
16 for the prevention of cruelty to animals, or other nonprofit
17 organization devoted to the welfare, protection, and humane
18 treatment of such animals.

19 10. a. "*Commercial kennel*" means a kennel which performs
20 grooming, boarding, or training services for dogs or cats in
21 return for a consideration.

22 b. "*Commercial kennel*" does not include a kennel in which
23 a dog or cat remains in the custody of the owner of the dog or
24 cat.

25 11. a. "*Dealer*" means any person who is engaged in the
26 business of buying for resale or selling or exchanging dogs or
27 cats, or both, as a principal or agent, or who claims to be so
28 engaged.

29 b. "*Dealer*" does not include a person operating on a
30 nonprofit basis whose primary purpose is to provide adoptive
31 homes for dogs or cats.

32 Sec. 4. Section 162.2, Code 2014, is amended by adding the
33 following new subsections:

34 NEW SUBSECTION. 2A. "*Animal*" means vertebrate animal other
35 than members of the equine, bovine, ovine, and porcine species,

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1 and ostriches, rheas, emus, and poultry.

2 NEW SUBSECTION. 16A. "*Licensee*" means a boarding kennel,
3 commercial breeder, commercial kennel, dealer, pet shop, or
4 public auction who must operate pursuant to a license issued
5 and renewed by the department pursuant to section 162.2A.

6 NEW SUBSECTION. 16B. "*Local authority*" means the same as
7 defined in section 717B.1.

8 Sec. 5. Section 162.2, subsection 19, Code 2014, is amended
9 to read as follows:

10 19. "*Pet shop*" means an establishment where a dog, cat,
11 rabbit, rodent, nonhuman primate, fish other than live bait,
12 bird, or other ~~vertebrate~~ animal is bought, sold, exchanged,
13 or offered for sale. However, a pet shop does not include an
14 establishment if one of the following applies:

15 a. The establishment receives less than five hundred dollars
16 from the sale or exchange of ~~vertebrate~~ animals during a
17 twelve-month period.

18 b. The establishment sells or exchanges less than six
19 animals during a twelve-month period.

20 Sec. 6. Section 162.2A, subsections 1, 2, 4, and 5, Code
21 2014, are amended to read as follows:

22 1. The department shall provide for the ~~operation of~~
23 issuance or renewal of a license to operate a commercial
24 establishment ~~by issuing or renewing an authorization,~~
25 ~~including any of the following:.~~

26 ~~a. A certificate of registration for a pound, animal~~
27 ~~shelter, or research facility.~~

28 ~~b. A state license for a boarding kennel, commercial kennel,~~
29 ~~or pet shop.~~

30 ~~c. A state license or permit for a commercial breeder,~~
31 ~~dealer, or public auction. A federal licensee must apply for~~
32 ~~and be issued either a permit or a state license in lieu of a~~
33 ~~permit.~~

34 2. A person must be issued a ~~separate state license,~~
35 ~~certificate of registration, or permit for each~~ all commercial

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1 ~~establishment~~ establishments owned or operated by the person.

2 4. The ~~authorization~~ license expires on an annual basis
3 as provided by the department, and must be renewed by the
4 commercial establishment on an annual basis on or before the
5 ~~authorization's~~ license's expiration date.

6 5. ~~a. A commercial establishment applying for the issuance~~
7 ~~or renewal of a permit shall provide the department with proof~~
8 ~~that the person is a federal licensee.~~

9 ~~b. The department shall not require that it must enter onto~~
10 ~~the premises of a commercial establishment in order to issue a~~
11 ~~permit. The department shall not require that it must enter~~
12 ~~onto the premises of a commercial establishment in order to~~
13 ~~renew a permit, unless it has reasonable cause to monitor the~~
14 ~~commercial establishment as provided in section 162.10C. The~~
15 ~~department may deny an application for the issuance or renewal~~
16 ~~of a license, if the department determines that the applicant~~
17 ~~is in violation of this chapter or has not demonstrated that~~
18 ~~the applicant will comply with the provisions of this chapter.~~

19 Sec. 7. Section 162.2A, subsection 3, unnumbered paragraph
20 1, Code 2014, is amended to read as follows:

21 A person must apply for the issuance or renewal of an
22 ~~authorization~~ a license on forms and according to procedures
23 required by rules adopted by the department. The application
24 shall contain information required by the department, including
25 but not limited to all of the following:

26 Sec. 8. Section 162.2A, subsection 3, paragraph c, Code
27 2014, is amended to read as follows:

28 ~~c.~~ The name, address, and type of establishment covered by
29 the ~~authorization~~ license.

30 Sec. 9. Section 162.2B, Code 2014, is amended by striking
31 the section and inserting in lieu thereof the following:

32 **162.2B Fees.**

33 1. The department shall establish, assess, and collect
34 fees for issuing or renewing a license as provided in section
35 162.2A. The fee assessed under this section shall include a

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1 base amount plus any applicable scheduled amount.
2 2. *a.* For an animal shelter, the base amount is
3 seventy-five dollars plus a scheduled amount computed by
4 calculating the number of dogs and cats kept by the animal
5 shelter as follows:
6 (1) For at least one dog or cat but not more than fifty dogs
7 and cats, fifty dollars.
8 (2) For more than fifty dogs and cats but not more than
9 seventy-five dogs and cats, one hundred twenty dollars.
10 (3) For more than seventy-five dogs and cats but not more
11 than one hundred dogs and cats, two hundred fifty dollars.
12 (4) For more than one hundred dogs and cats but not more
13 than two hundred fifty dogs and cats, five hundred dollars.
14 (5) For more than two hundred fifty dogs and cats but not
15 more than four hundred dogs and cats, one thousand dollars.
16 (6) For more than four hundred dogs and cats, one thousand
17 two hundred fifty dollars.
18 *b.* A dog or cat is included in the calculation under
19 paragraph "a" if the dog or cat is recorded as on hand for
20 public adoption during the most recent inspection of the animal
21 shelter by the department. However, a dog or cat is not
22 included in the calculation if the dog or cat is recorded as
23 kept in foster care.
24 *c.* The base amount is assessed on all locations owned
25 or operated by the animal shelter. The scheduled amount is
26 assessed on the total number of dogs and cats on hand at all
27 locations owned or operated by the animal shelter.
28 3. *a.* For a pound, the base amount equals seventy-five
29 dollars.
30 *b.* A pound shall not be assessed a scheduled fee.
31 *c.* A single base amount is assessed on all locations owned
32 or operated by the pound.
33 4. *a.* For a research facility, the base amount equals
34 seventy-five dollars.
35 *b.* A research facility shall not be assessed a scheduled

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1 fee.

2 *c.* A single base amount is assessed on all locations owned
3 or operated by the research facility.

4 5. *a.* For a commercial breeder or dealer, the base amount
5 equals one hundred seventy-five dollars and the scheduled
6 amount is computed by calculating the number of dogs and cats
7 kept by the commercial breeder or dealer as follows:

8 (1) For at least one dog or cat but not more than fifty dogs
9 and cats, one hundred dollars.

10 (2) For more than fifty dogs and cats but not more than
11 seventy-five dogs and cats, two hundred fifty dollars.

12 (3) For more than seventy-five dogs and cats but not more
13 than one hundred dogs and cats, five hundred dollars.

14 (4) For more than one hundred dogs and cats but not more
15 than two hundred fifty dogs and cats, one thousand dollars.

16 (5) For more than two hundred fifty dogs and cats but not
17 more than four hundred dogs and cats, two thousand dollars.

18 (6) For more than four hundred dogs and cats, two thousand
19 five hundred dollars.

20 *b.* A dog or cat is included in the calculation under
21 paragraph "*a*" if the dog or cat is recorded as an adult on
22 hand for breeding during the most recent inspection of the
23 commercial breeder or dealer by the department of agriculture
24 and land stewardship or the United States department of
25 agriculture.

26 *c.* Notwithstanding paragraph "*b*", a greyhound dog owned,
27 kept, bred, or transported by a commercial breeder for
28 pari-mutuel wagering at a racetrack as provided in chapter 99D
29 is not included in the calculation. Rather the commercial
30 breeder shall pay a different fee for the issuance or renewal
31 of a license as provided in rules adopted by the department.

32 *d.* The base amount is assessed on each location owned or
33 operated by the commercial breeder or dealer. The scheduled
34 amount is assessed on the total number of dogs or cats kept at
35 all locations owned or operated by the commercial breeder or

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1 dealer.

2 6. a. For a pet shop, the base amount equals one hundred
3 seventy-five dollars and the scheduled amount is computed by
4 calculating the number of dogs and cats kept by the pet shop as
5 follows:

6 (1) For at least one dog or cat but not more than twenty
7 dogs and cats, one hundred dollars.

8 (2) For more than twenty dogs and cats but not more than
9 forty dogs and cats, two hundred fifty dollars.

10 (3) For more than forty dogs and cats, five hundred dollars.

11 b. A dog or cat is included in the calculation under
12 paragraph "a" if the dog or cat is recorded as on hand for sale
13 to the general public during the most recent inspection of the
14 pet shop by the department.

15 c. The base amount is assessed on each location owned or
16 operated by the pet shop. The scheduled amount is assessed on
17 the total number of dogs or cats kept at all locations owned or
18 operated by the pet shop.

19 7. For a boarding kennel, commercial kennel, or public
20 auction, the base amount equals one hundred seventy-five
21 dollars and a scheduled amount is not applicable.

22 8. The moneys collected by the department under this section
23 shall be credited to the commercial establishment fund created
24 in section 162.2C.

25 9. The fees provided in this section shall be considered
26 repayment receipts as defined in section 8.2. The general
27 assembly shall appropriate moneys to the department each fiscal
28 year necessary for the administration and enforcement of this
29 chapter.

30 Sec. 10. Section 162.2C, subsection 3, Code 2014, is amended
31 to read as follows:

32 3. Moneys in the fund are appropriated to the department and
33 shall be used exclusively to ~~carry out~~ do all of the following:

34 a. Administer and enforce the provisions of this chapter
35 as determined and directed by the department, and shall not

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1 require further special authorization by the general assembly.
2 b. Fully fund the animal rescue remediation fund as provided
3 in section 717B.13. For the fiscal year beginning July 1,
4 2014, and each fiscal year thereafter, the department shall
5 transfer at least twenty thousand dollars from moneys in the
6 commercial establishment fund to the animal rescue remediation
7 fund created in section 717B.13. However, if on March 1 the
8 unobligated and unencumbered balance in the animal rescue
9 remediation fund equals more than sixty thousand dollars, the
10 department shall suspend the transfer for the subsequent fiscal
11 year. If on March 1 of a fiscal year for which the transfer
12 is suspended, the unobligated and unencumbered balance in the
13 animal rescue remediation fund is less than forty thousand
14 dollars, the department shall resume the transfer for the
15 subsequent fiscal year.

16 Sec. 11. Section 162.3, Code 2014, is amended to read as
17 follows:

18 **162.3 Operation of a pound — ~~certificate of registration~~**
19 **license.**

20 A pound shall only operate pursuant to a ~~certificate of~~
21 ~~registration~~ license issued or renewed by the department as
22 provided in section 162.2A. A pound may sell dogs or cats
23 under its control if sales are allowed by the department. The
24 pound shall maintain records as required by the department in
25 order for the department to ensure the pound's compliance with
26 the provisions of this chapter.

27 Sec. 12. Section 162.4, Code 2014, is amended to read as
28 follows:

29 **162.4 Operation of an animal shelter — ~~certificate of~~**
30 **~~registration~~ license.**

31 An animal shelter shall only operate pursuant to a
32 ~~certificate of registration~~ license issued or renewed by the
33 department as provided in section 162.2A. An animal shelter
34 may sell dogs or cats if sales are allowed by the department.
35 The animal shelter facility shall maintain records as required

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1 by the department in order for the department to ensure
2 the animal shelter's compliance with the provisions of this
3 chapter.

4 Sec. 13. Section 162.4A, Code 2014, is amended to read as
5 follows:

6 **162.4A Operation of a research facility — ~~certificate of~~**
7 **~~registration~~ license.**

8 A research facility shall only operate pursuant to a
9 ~~certificate of registration~~ license issued by the department
10 as provided in section 162.2A. The research facility shall
11 maintain records as required by the department in order for
12 the department to ensure the research facility's compliance
13 with the provisions of this chapter. A research facility shall
14 not purchase a dog or cat from a commercial establishment that
15 does not have a valid ~~authorization~~ license issued or renewed
16 under this chapter or a similar ~~authorization~~ license issued or
17 renewed by another state.

18 Sec. 14. Section 162.5, Code 2014, is amended to read as
19 follows:

20 **162.5 Operation of a pet shop — ~~state~~ license.**

21 A pet shop shall only operate pursuant to a ~~state~~ license
22 issued or renewed by the department pursuant to section
23 162.2A. The pet shop shall maintain records as required by the
24 department in order for the department to ensure the pet shop's
25 compliance with the provisions of this chapter. A pet shop
26 shall not purchase a dog or cat from a commercial establishment
27 that does not have a valid ~~authorization~~ license issued or
28 renewed under this chapter or a similar ~~authorization~~ license
29 issued or renewed by another state.

30 Sec. 15. Section 162.5A, Code 2014, is amended to read as
31 follows:

32 **162.5A Operation of a boarding kennel — ~~state~~ license.**

33 A boarding kennel shall only operate pursuant to a ~~state~~
34 license issued by the department as provided in section 162.2A.
35 The boarding kennel shall maintain records as required by



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1 the department in order for the department to ensure the
2 boarding kennel's compliance with the provisions of this
3 chapter. A boarding kennel shall not purchase a dog or cat
4 from a commercial establishment that does not have a valid
5 authorization license issued or renewed under this chapter or
6 a similar authorization license issued or renewed by another
7 state.

8 Sec. 16. Section 162.6, Code 2014, is amended to read as
9 follows:

10 **162.6 Operation of a commercial kennel — state license.**

11 A commercial kennel shall only operate pursuant to a state
12 license issued or renewed by the department as provided in
13 section 162.2A. A commercial kennel shall maintain records
14 as required by the department in order for the department to
15 ensure the commercial kennel's compliance with the provisions
16 of this chapter. A commercial kennel shall not purchase a
17 dog or cat from a commercial establishment that does not have
18 a valid authorization license issued or renewed under this
19 chapter or a similar authorization license issued or renewed
20 by another state.

21 Sec. 17. Section 162.7, Code 2014, is amended to read as
22 follows:

23 **162.7 Operation of a dealer — state license ~~or permit.~~**

24 1. A dealer shall only operate pursuant to a ~~state license,~~
25 ~~or a permit,~~ issued or renewed by the department as provided
26 in section 162.2A. A dealer ~~who is a state licensee~~ shall
27 maintain records as required by the department in order for the
28 department to ensure compliance with the provisions of this
29 chapter. ~~A dealer who is a permittee may but is not required~~
30 ~~to maintain records.~~ A dealer shall not purchase a dog or cat
31 from a commercial establishment that does not have a valid
32 authorization license issued or renewed under this chapter or
33 a similar authorization license issued or renewed by another
34 state.

35 2. A dealer shall not operate an animal shelter or maintain



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1 a controlling interest in an animal shelter.

2 Sec. 18. Section 162.8, Code 2014, is amended to read as
3 follows:

4 **162.8 Operation of a commercial breeder — ~~state license or~~**
5 **~~permit.~~**

6 1. A commercial breeder shall only operate pursuant to a
7 state license, ~~or a permit,~~ issued or renewed by the department
8 as provided in section 162.2A. A commercial breeder ~~who is~~
9 ~~a state licensee~~ shall maintain records as required by the
10 department in order for the department to ensure the commercial
11 breeder's compliance with the provisions of this chapter. A
12 ~~commercial breeder who is a permittee may but is not required~~
13 ~~to maintain records.~~ A commercial breeder shall not purchase a
14 dog or cat from a commercial establishment that does not have
15 a valid ~~authorization~~ license issued or renewed under this
16 chapter or a similar ~~authorization~~ license issued or renewed
17 by another state.

18 2. A commercial breeder shall not own or operate an animal
19 shelter or maintain a controlling interest in an animal
20 shelter.

21 3. A commercial breeder offering to sell a dog to a person
22 shall provide the person with a copy of the most recent
23 inspection report completed by the department of agriculture
24 and land stewardship or the United States department of
25 agriculture. The report shall include the recorded number of
26 adult dogs on hand. The report must be signed by the person
27 prior to finalizing the sale. One copy of the signed report
28 shall be maintained for one year by the commercial breeder as
29 part of the commercial breeder's records and one copy of the
30 report shall be filed with the department.

31 Sec. 19. Section 162.9A, Code 2014, is amended to read as
32 follows:

33 **162.9A Operation of a public auction — ~~state license or~~**
34 **~~permit.~~**

35 1. A public auction shall only operate pursuant to a state

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1 license, ~~or a permit,~~ issued or renewed by the department
2 as provided in section 162.2A. A public auction ~~which is~~
3 ~~a state licensee~~ shall maintain records as required by the
4 department in order for the department to ensure the public
5 auction's compliance with the provisions of this chapter. A
6 ~~public auction which is a permittee may but is not required to~~
7 ~~maintain records.~~

8 2. A public auction shall not purchase a dog or cat
9 from a commercial establishment that does not have a valid
10 authorization license issued or renewed under this chapter or
11 a similar authorization license issued or renewed by another
12 state.

13 Sec. 20. NEW SECTION. 162.10 Records.

14 1. A commercial establishment shall maintain all records
15 required in this chapter. The department shall adopt rules
16 regarding the types of records required to be kept and the
17 format for keeping such records.

18 2. A commercial establishment shall maintain inspection
19 reports conducted by the department of agriculture and land
20 stewardship or the United States department of agriculture.
21 A commercial breeder shall maintain a signed copy of an
22 inspection report as required in section 162.8.

23 3. A commercial establishment shall maintain all records
24 necessary to assess a fee imposed for the issuance or renewal
25 of a fee pursuant to section 162.2A.

26 Sec. 21. Section 162.10A, Code 2014, is amended to read as
27 follows:

28 **162.10A Commercial establishments — standard of care.**

29 1. *a.* A commercial establishment shall provide for a
30 standard of care that ensures that an animal in its possession
31 or under its control is not lacking any of the following:

32 (1) Adequate feed, adequate water, housing facilities,
33 sanitary control, or grooming practices, if such lack causes
34 adverse health or suffering.

35 (2) Veterinary care.

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1 **b.** A commercial establishment, other than a research
2 facility or pet shop, shall provide for the standard of care
3 for dogs and cats in its possession or under its control, and a
4 research facility or pet shop shall provide for the standard
5 of care for vertebrate animals in its possession or under its
6 control.

7 **2. a.** Except as provided in paragraph “b” or “c”, a
8 commercial establishment shall comply with rules that the
9 department adopts to implement subsection 1. ~~A commercial~~
10 ~~establishment shall be regulated under this paragraph “a”~~
11 ~~unless the person is a state licensee as provided in paragraph~~
12 ~~“b” or a permittee as provided in paragraph “c”.~~

13 **b.** A state licensee who is a commercial breeder owning,
14 breeding, transporting, or keeping a greyhound dog for
15 pari-mutuel wagering at a racetrack as provided in chapter 99D
16 may be required to comply with different rules adopted by the
17 department.

18 **c.** ~~A permittee is not required to comply with rules that the~~
19 ~~department adopts to implement a standard of care as provided~~
20 ~~in subsection 1 for state licensees and registrants. The~~
21 ~~department may adopt rules regulating a standard of care for~~
22 ~~a permittee, so long as the rules are not more restrictive~~
23 ~~than required for a permittee under the Animal Welfare Act.~~
24 ~~However, the department may adopt prescriptive rules relating~~
25 ~~to the standard of care. Regardless of whether the department~~
26 ~~adopts such rules, a permittee meets the standard of care~~
27 ~~required in subsection 1 if it voluntarily complies with rules~~
28 ~~applicable to state licensees or registrants. A finding by~~
29 ~~the United States department of agriculture that a permittee~~
30 ~~complies with the Animal Welfare Act is not conclusive when~~
31 ~~determining that the permittee provides a standard of care~~
32 ~~required in subsection 1.~~

33 **3.** A commercial breeder or dealer shall provide for the
34 general care of its dogs or cats by providing all of the
35 following:

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- 1 a. Access to adequate quantities and quality of food
2 provided at suitable times and according to the dietary
3 requirements of the species and age of the animal in order to
4 maintain a reasonable level of nutrition. The food must be
5 served in a clean receptacle, dish, or container.
6 b. Access to a regular supply of clean, fresh, potable water
7 provided in a sanitary manner provided at suitable times and
8 according to the dietary requirements of the species and age of
9 the animal. The water shall not be frozen.
10 c. Protection from extremes in weather conditions.
11 4. A commercial breeder or dealer shall only keep dogs
12 or cats in a primary enclosure that complies with all of the
13 following:
14 a. Includes a solid surface area sufficient to allow an
15 animal with sufficient space to rest in a recumbent position.
16 b. On or after the effective date of this Act, shall not be
17 constructed to use wire strand flooring.
18 c. Provides proper ventilation.
19 d. (1) (a) Beginning on January 1, 2015, and ending
20 December 31, 2015, the size of the primary enclosure shall not
21 be less than two times the size for a primary enclosure for
22 that species as required pursuant to 9 C.F.R. §3.6.
23 (b) This subparagraph is repealed on January 1, 2016.
24 (2) Beginning on January 1, 2016, the size of the primary
25 enclosure shall not be less than three times the size for a
26 primary enclosure for that species as required pursuant to 9
27 C.F.R. §3.6.
28 5. A commercial breeder or dealer with more than ten
29 breeding dogs on hand shall only keep dogs in a primary
30 enclosure that includes a permanent unfettered access to an
31 attached outdoor run.
32 6. A commercial breeder or dealer shall provide for the
33 health of its dogs or cats as follows:
34 a. Have all breeding dogs and breeding cats under its
35 possession or control examined at least once each year by a

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1 licensed veterinarian.
2 b. Provide for the prompt treatment by a licensed
3 veterinarian of any serious illness or injury suffered by a dog
4 or cat.
5 c. Provide euthanasia when required by a licensed
6 veterinarian.
7 d. Provide its dogs with regular exercise of a type and
8 amount sufficient to comply with an exercise plan that has
9 been approved by a licensed veterinarian, and developed in
10 accordance with rules adopted by the department of agriculture.
11 The exercise plan must afford a dog a maximum opportunity for
12 outdoor exercise as weather permits.
13 7. A commercial establishment fails to provide for a
14 standard of care as provided in subsection 1 if the commercial
15 establishment commits abuse as described in section 717B.2,
16 neglect as described in section 717B.3, or torture as provided
17 in section 717B.3A.
18 Sec. 22. Section 162.10B, Code 2014, is amended to read as
19 follows:
20 **162.10B Commercial establishments — ~~inspecting state~~**
21 **~~licensees and registrants~~ inspections.**
22 1. As a condition of issuing or renewing a license, the
23 premises of an applicant shall be open for inspection during
24 normal business hours.
25 2. The department shall conduct at least an annual
26 inspection of a commercial establishment. The department may
27 shall inspect the commercial establishment of a registrant or
28 state licensee by entering onto its business premises at any
29 time during normal working business hours. The department may
30 shall inspect records required to be maintained by the state
31 licensee or registrant commercial establishment as provided
32 in this chapter. If the owner or person in charge of the
33 commercial establishment refuses admittance, the department may
34 obtain an administrative search warrant issued under section
35 808.14. The department shall report a potential violation of

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1 chapter 717B to the local authority which has jurisdiction over
2 the matter.

3 Sec. 23. Section 162.10D, subsections 1 and 2, Code 2014,
4 are amended to read as follows:

5 1. The department may take disciplinary action against a
6 person by suspending or revoking the person's ~~authorization~~
7 license for violating a provision of this chapter or chapter
8 717B, or who commits an unlawful practice under section 714.16.

9 2. The department may require an owner, operator, or
10 employee of a commercial establishment subject to disciplinary
11 action under subsection 1 to complete a continuing education
12 program as a condition for retaining ~~an authorization~~
13 a license. This section does not prevent a person from
14 voluntarily participating in a continuing education program.
15 However, a voluntary continuing education program completed
16 prior to the department's disciplinary action shall not be part
17 of such disciplinary action.

18 Sec. 24. Section 162.11, Code 2014, is amended to read as
19 follows:

20 **162.11 Exceptions.**

21 ~~1. This chapter does not apply to a federal licensee except~~
22 ~~as provided in the following:~~

23 ~~a. Section 162.1, subsection 2, and sections 162.2, 162.2A,~~
24 ~~162.2B, 162.7, 162.8, 162.9A, 162.10A, 162.10C, 162.10D,~~
25 ~~162.12A, and 162.13.~~

26 ~~b. Section 162.1, subsection 1, but only to the extent~~
27 ~~required to implement sections described in paragraph "a".~~

28 ~~c. Section 162.16 but only to the extent required to~~
29 ~~implement sections described in paragraph "a".~~

30 ~~2.~~ 1. This chapter does not apply to a place or
31 establishment which operates under the immediate supervision
32 of a duly licensed veterinarian as a hospital where animals
33 are harbored, hospitalized, and cared for incidental to the
34 treatment, prevention, or alleviation of disease processes
35 during the routine practice of the profession of veterinary

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1 medicine. However, if animals are accepted by such a place,
2 establishment, or hospital for boarding or grooming for a
3 consideration, the place, establishment, or hospital is subject
4 to the licensing ~~or registration~~ requirements applicable to a
5 boarding kennel or commercial kennel under this chapter and the
6 rules adopted by the secretary.

7 ~~3.~~ 2. This chapter does not apply to a noncommercial kennel
8 at, in, or adjoining a private residence where dogs or cats
9 are kept for the hobby of the householder, if the dogs or cats
10 are used for hunting, for practice training, for exhibition
11 at shows or field or obedience trials, or for guarding or
12 protecting the householder's property. However, the dogs
13 or cats must not be kept for breeding if a person receives
14 consideration for providing the breeding.

15 Sec. 25. Section 162.12, Code 2014, is amended by striking
16 the section and inserting in lieu thereof the following:

17 **162.12 Departmental action.**

18 1. The department may take administrative action against a
19 commercial establishment if the department finds the housing
20 facilities or primary enclosures are inadequate under the
21 provisions of this chapter or if the feeding, watering,
22 cleaning, and housing practices are not in compliance with this
23 chapter or with the rules adopted pursuant to this chapter.

24 2. The premises of each licensee shall be open for
25 inspection during normal business hours.

26 3. A person may contest an agency action taken by the
27 department under this chapter, including rules adopted by the
28 department under this chapter, pursuant to chapter 17A.

29 Sec. 26. Section 162.12A, subsection 1, paragraph a, Code
30 2014, is amended to read as follows:

31 a. A commercial establishment that operates pursuant to ~~an~~
32 ~~authorization~~ a license issued or renewed under this chapter
33 is subject to a civil penalty of not more than five hundred
34 dollars, regardless of the number of animals possessed or
35 controlled by the commercial establishment, for violating this

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1 chapter. Except as provided in paragraph "b", each day that a
2 violation continues shall be deemed a separate offense.

3 Sec. 27. Section 162.12A, subsection 2, Code 2014, is
4 amended to read as follows:

5 2. A commercial establishment that does not operate
6 pursuant to ~~an authorization~~ a license issued or renewed under
7 this chapter is subject to a civil penalty of not more than one
8 thousand dollars, regardless of the number of animals possessed
9 or controlled by the commercial establishment, for violating
10 this chapter. Each day that a violation continues shall be
11 deemed a separate offense.

12 Sec. 28. Section 162.13, Code 2014, is amended to read as
13 follows:

14 **162.13 Criminal penalties — confiscation.**

15 1. A person who operates a commercial establishment without
16 ~~an authorization~~ a license issued or renewed by the department
17 as required in section 162.2A is guilty of a simple misdemeanor
18 and each day of operation is a separate offense.

19 2. The failure of a person who owns or operates a commercial
20 establishment to meet the standard of care required in section
21 162.10A, subsection 1, is a simple misdemeanor. The animals
22 are subject to seizure and impoundment and may be sold or
23 destroyed as provided by rules which shall be adopted by the
24 department pursuant to chapter 17A or by a local authority
25 pursuant to chapter 717B. The department's rules shall provide
26 for the destruction of an animal by ~~a humane method, including~~
27 ~~by euthanasia as provided by rules which shall be adopted by~~
28 the department pursuant to chapter 17A.

29 3. The failure of a person who owns or operates a commercial
30 establishment to meet the requirements of this section is
31 also cause for the suspension or revocation of the person's
32 ~~authorization~~ license as provided in section 162.10D.

33 4. Dogs, cats, and other ~~vertebrate~~ animals upon which
34 euthanasia is permitted by law may be destroyed by a person
35 subject to this chapter or chapter 169, ~~by a humane method,~~

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1 ~~including~~ euthanasia, as provided by rules which shall be
2 adopted by the department pursuant to chapter 17A.

3 5. ~~It is unlawful for a~~ A dealer ~~to~~ shall not knowingly
4 ship a diseased animal. A dealer violating this subsection
5 is subject to a fine not exceeding one hundred dollars. Each
6 diseased animal shipped in violation of this subsection is a
7 separate offense.

8 Sec. 29. NEW SECTION. 162.13A Criminal actions.

9 The attorney general or a county attorney may bring criminal
10 action in order to enforce the provisions of this chapter.

11 Sec. 30. NEW SECTION. 162.13B Penalties — injunctive
12 relief.

13 The courts of this state may prevent and restrain violations
14 of this chapter through the issuance of an injunction. The
15 attorney general or a county attorney shall institute suits on
16 behalf of the state to prevent and restrain violations of this
17 chapter.

18 Sec. 31. Section 162.20, subsection 4, paragraph c, Code
19 2014, is amended to read as follows:

20 c. A pound or animal shelter which knowingly fails to
21 provide for the sterilization of a dog or cat is subject to a
22 civil penalty of up to two hundred dollars. The department
23 may enforce and collect civil penalties according to rules
24 which shall be adopted by the department. Each violation shall
25 constitute a separate offense. Moneys collected from civil
26 penalties shall be deposited into the general fund of the state
27 and are appropriated on July 1 of each year in equal amounts
28 to each track licensed to race dogs to support the racing dog
29 adoption program as provided in section 99D.27. Upon the third
30 offense, the department may suspend or revoke a ~~certificate~~
31 ~~of registration~~ license issued to the pound or animal shelter
32 pursuant to this chapter. The department may bring an action
33 in district court to enjoin a pound or animal shelter from
34 transferring animals in violation of this section. In bringing
35 the action, the department shall not be required to allege

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1 facts necessary to show, or tending to show, a lack of adequate
2 remedy at law, that irreparable damage or loss will result
3 if the action is brought at law, or that unique or special
4 circumstances exist.

5 Sec. 32. Section 717B.1, Code 2014, is amended by adding the
6 following new subsection:

7 NEW SUBSECTION. 3A. "*Commercial establishment*" means the
8 same as defined in section 162.2.

9 Sec. 33. Section 717B.4, subsection 3, paragraph a, Code
10 2014, is amended to read as follows:

11 a. The court may order the responsible party to pay an
12 amount which shall not be more than the dispositional expenses
13 incurred by the local authority. The court may also award
14 the local authority court costs, reasonable attorney fees and
15 expenses related to the investigation and prosecution of the
16 case, which shall be taxed as part of the costs of the action.
17 The amount shall be paid to the animal rescue remediation fund
18 created in section 717B.13 to the extent that moneys from the
19 fund were expended to pay for dispositional expenses.

20 Sec. 34. Section 717B.5, Code 2014, is amended by adding the
21 following new subsection:

22 NEW SUBSECTION. 3A. The local authority may apply to the
23 department for reimbursement of expenses incurred by the local
24 authority in providing for the maintenance of the animal.

25 Sec. 35. NEW SECTION. 717B.13 **Animal rescue remediation**
26 **fund.**

27 1. An animal rescue remediation fund is created as a
28 separate fund in the state treasury under the control of the
29 department of agriculture and land stewardship. The general
30 fund of the state is not liable for claims presented against
31 the fund.

32 2. The fund consists of moneys appropriated to the fund,
33 moneys transferred from the commercial establishment fund as
34 provided in section 162.2C, sums collected on behalf of the
35 fund through legal action or settlement, or moneys contributed

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1 to the fund from other sources.

2 3. The moneys in the fund are appropriated to the department
3 to reimburse a local authority for expenses incurred for the
4 rescuing of an animal from a commercial establishment as
5 provided in section 717B.5, for the maintenance of an animal
6 as provided in section 717B.5, and for the disposition of an
7 animal as provided in section 717B.4.

8 4. The department shall utilize moneys from the fund only to
9 the extent that the department determines that expenses cannot
10 be timely paid by utilizing the available provisions of section
11 717B.4.

12 5. The department shall provide payment to a local authority
13 upon a claim submitted by the local authority to the department
14 according to procedures required by the department. Upon
15 a determination that the claim is eligible for payment,
16 the department shall reimburse the local authority for that
17 amount. However, if the department determines that only
18 a portion of the claim is eligible, the department shall
19 only pay the eligible portion. If the department determines
20 that insufficient moneys are available to make payment of
21 all claims, the department may defer paying all or part of
22 specified claims. The department shall hold deferred claims
23 for payment when the department determines that the fund again
24 contains sufficient moneys.

25 6. Moneys in the fund shall not be subject to appropriation
26 or expenditure for any other purpose than provided in this
27 section and section 162.2C.

28 7. Notwithstanding section 12C.7, interest earned on
29 amounts deposited in the fund shall be credited to the fund.
30 Notwithstanding section 8.33, any unexpended or unencumbered
31 moneys remaining in the fund at the end of the fiscal year
32 shall not revert to the general fund of the state, but the
33 moneys shall remain available for expenditure by the authority
34 in succeeding fiscal years.

35 Sec. 36. CERTIFICATE OF REGISTRATION. A certificate of

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1 registration issued by the department under section 162.2A
2 prior to the effective date of this Act shall remain valid
3 until it expires according to its terms when issued.
4 Sec. 37. REPEAL. Section 162.10C, Code 2014, is repealed.

5 EXPLANATION

6 The inclusion of this explanation does not constitute agreement with
7 the explanation's substance by the members of the general assembly.

8 CURRENT LAW — GENERAL. Code chapter 162 provides for the
9 regulation of commercial establishments that possess or control
10 animals, other than animals used for an agricultural purpose
11 (Code section 162.1), by the department of agriculture and land
12 stewardship (DALs). This includes animal shelters, pounds, or
13 research facilities which are required to obtain a certificate
14 of registration; a boarding kennel, commercial kennel, or pet
15 shop required to obtain a state license; and a commercial
16 breeder, dealer, or public auction required to obtain either
17 a state license or a permit if licensed by the United States
18 department of agriculture (USDA). A permit, state license, or
19 certificate of registration is referred to as an authorization
20 (Code section 162.2A).

21 CURRENT LAW — FINANCES. A commercial establishment must
22 pay a fee for obtaining or renewing an authorization. The fee
23 for the issuance or renewal of a certificate of registration is
24 \$75 and the fee for the issuance or renewal of a state license
25 or permit is \$175, except for a commercial breeder who keeps
26 greyhounds for racing who is subject to a separate fee (Code
27 section 162.2B). The fees are deposited into a commercial
28 establishment fund dedicated for use by DALs in administering
29 the Code chapter (Code section 162.2C).

30 CURRENT LAW — INSPECTIONS. Generally, different
31 requirements apply to permittees, including inspection
32 requirements. The department may inspect the commercial
33 establishment of a registrant or state licensee by entering
34 onto its business premises at any time during normal working
35 hours (Code chapter 162). Alternatively, the department

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1 monitors a permittee to whether the permittee is complying with
2 required standard of care requirements (Code section 162.10C).

3 CURRENT LAW — STANDARD OF CARE. A commercial establishment
4 must operate by providing a standard of care to its animals. A
5 registrant or state licensee must maintain records. However,
6 all commercial establishments must comply with a common
7 standard of care. The commercial establishment must ensure
8 that an animal in its possession or under its control is not
9 lacking adequate feed, adequate water, housing facilities,
10 sanitary control, grooming practices affecting the health of
11 the animal, and veterinary care (Code section 162.10A). A
12 registrant or state licensee must comply with DALS' rules, with
13 one exception. DALS may adopt different rules that apply to
14 state licensees who keep greyhounds for racing.

15 CURRENT LAW — DISCIPLINARY ACTIONS. DALS may take
16 disciplinary action against a commercial establishment
17 by suspending or revoking the commercial establishment's
18 authorization. DALS may require that an owner, operator, or
19 employee of a commercial establishment complete a continuing
20 education program (Code section 162.10D).

21 CURRENT LAW — CRIMINAL PENALTIES AND SEIZURE. A person who
22 operates a commercial establishment without an authorization
23 or who fails to meet a standard of care is guilty of a simple
24 misdemeanor. The department may provide for the animals'
25 seizure and impoundment and they may be sold or destroyed
26 (Code section 162.13). A simple misdemeanor is punishable by
27 confinement for no more than 30 days or a fine of at least \$65
28 but not more than \$625, or by both.

29 BILL'S PROVISIONS — LICENSING. The bill requires all
30 commercial establishments to obtain a license. It replaces
31 the term "state license" with "license". It provides that a
32 commercial kennel does not include a kennel in which a dog or
33 cat remains in the custody of the owner or the dog or cat.
34 Finally, it provides that a dealer does not include a person
35 operating on a nonprofit basis whose primary purpose is to

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1 provide adoptive homes for dogs or cats.

2 BILL'S PROVISIONS — FEES. The bill replaces the current
3 fee assessed on commercial establishments with a system of
4 dual fees consisting of a constant base amount which depends
5 on the type of commercial establishment obtaining a license
6 and a scheduled amount computed according to a formula which
7 increases the amount due based on the number of dogs or cats
8 kept on hand by the commercial establishment according to
9 records obtained by DALs or the United States department of
10 agriculture. The bill provides for different formulas applying
11 to different categories of commercial establishments.

12 BILL'S PROVISIONS — FUNDS. The moneys from fees are still
13 deposited into the commercial establishment fund. However, up
14 to \$20,000 a year is to be transferred to a new animal rescue
15 remediation fund also under the control of DALs. The purpose
16 of this fund is to reimburse a city or county, referred to as
17 a local authority (Code section 717B.1), when rescuing and
18 maintaining a threatened animal (Code section 717B.5) from a
19 commercial establishment or disposing of such animal pursuant
20 to court order (Code section 717B.4). DALs may suspend the
21 transfer or resume a transfer based on the balance in the
22 animal rescue remediation fund.

23 BILL'S PROVISIONS — REQUIREMENTS. The bill provides that a
24 dealer or commercial breeder cannot operate an animal shelter
25 or maintain a controlling interest in an animal shelter. It
26 also provides that a commercial breeder offering to sell a dog
27 to a person must provide the person with a copy of the last
28 inspection report completed by DALs or USDA. The bill requires
29 a commercial establishment to maintain all records required for
30 the administration and enforcement of the Code chapter. The
31 bill provides that a commercial establishment is subject to
32 regular inspections.

33 BILL'S PROVISIONS — STANDARD OF CARE FOR ANIMALS KEPT
34 BY COMMERCIAL BREEDERS OR DEALERS. The bill provides that a
35 commercial breeder or dealer must provide for its dogs or cats.

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1 This includes a general standard of care, including access
2 to food and a regular supply of clean water, and protection
3 from extremes in weather conditions. It regulates primary
4 enclosures in which a commercial breeder or dealer keeps a
5 dog or cat. It regulates the health of a dog or cat kept by a
6 commercial breeder or dealer, including by requiring licensed
7 veterinarians to perform certain functions, including annual
8 examinations, treatment of a serious illness or injury, and
9 euthanasia. The commercial breeder or dealer must also provide
10 a dog with regular exercise.

11 BILL'S PROVISIONS — DISCIPLINARY ACTION. The bill provides
12 that any continuing education program voluntarily undertaken
13 by a person operating a commercial establishment prior to a
14 disciplinary action is not considered part of such action.

15 CRIMINAL AND CIVIL ACTIONS. The bill provides that the
16 attorney general or a county attorney may bring a criminal
17 action in order to enforce the provisions of the Code
18 chapter. It also provides that courts may prevent and
19 restrain violations of the Code chapter through the issuance of
20 injunctions. The attorney general or a county attorney shall
21 institute suits on behalf of the state to prevent and restrain
22 such violations.



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Senate File 2167 - Introduced

SENATE FILE 2167
BY COMMITTEE ON HUMAN
RESOURCES

(SUCCESSOR TO SSB 3011)

A BILL FOR

1 An Act relating to employment, disciplinary, and other
2 procedures for entities regulated by the department of
3 inspections and appeals, and including applicability
4 provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 135B.34, subsection 2, paragraph b,
2 subparagraph (2), Code 2014, is amended to read as follows:
3 (2) Subparagraph (1) applies to a crime that is a simple
4 misdemeanor offense under section 123.47 ~~or chapter 321~~, and
5 to a crime that is a first offense of operating a motor vehicle
6 while intoxicated under section 321J.2, subsection 1.

7 Sec. 2. Section 135B.34, subsection 5, paragraphs a and b,
8 Code 2014, are amended to read as follows:

9 a. If a person employed by a hospital that is subject
10 to this section is convicted of a crime or has a record of
11 founded child or dependent adult abuse entered in the abuse
12 registry after the person's employment application date, the
13 person shall inform the hospital of such information within
14 forty-eight hours of the criminal conviction or entry of the
15 record of founded child or dependent adult abuse. The hospital
16 shall act to verify the information within ~~forty-eight hours~~
17 seven calendar days of notification. If the information
18 is verified, the requirements of subsections 2, 3, and 4
19 regarding employability and evaluations shall be applied by the
20 hospital to determine whether or not the person's employment
21 is continued. The hospital may continue to employ the person
22 pending the performance of an evaluation by the department of
23 human services to determine whether prohibition of the person's
24 employment is warranted. A person who is required by this
25 subsection to inform the person's employer of a conviction or
26 entry of an abuse record and fails to do so within the required
27 period commits a serious misdemeanor.

28 b. If a hospital receives credible information, as
29 determined by the hospital, that a person employed by the
30 hospital has been convicted of a crime or a record of founded
31 child or dependent adult abuse has been entered in the
32 abuse registry after employment from a person other than the
33 employee and the employee has not informed the hospital of
34 such information within the period required under paragraph
35 "a", the hospital shall act to verify the credible information

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1 within ~~forty-eight hours~~ seven calendar days of receipt of the
2 credible information. If the information is verified, the
3 requirements of subsections 2, 3, and 4 regarding employability
4 and evaluations shall be applied by the hospital to determine
5 whether or not the person's employment is continued.

6 Sec. 3. Section 135C.10, subsection 9, Code 2014, is amended
7 to read as follows:

8 9. In the case of an application by an existing licensee
9 for a new or newly acquired facility, continuing or repeated
10 failure of the licensee to operate any previously licensed
11 facility or facilities in compliance with the provisions of
12 this chapter ~~or of~~, the rules adopted pursuant to ~~it~~ this
13 chapter, or equivalent provisions that the facility is subject
14 to in this state or any other state.

15 Sec. 4. Section 135C.10, Code 2014, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 11. Preventing or interfering with or
18 attempting to prevent or interfere with the performance by any
19 duly authorized representative of the department of the lawful
20 enforcement of this chapter or of the rules adopted pursuant to
21 this chapter. As used in this subsection, "*lawful enforcement*"
22 includes but is not limited to the following:

23 a. Contacting or interviewing any resident of a health care
24 facility in private at any reasonable hour and without advance
25 notice.

26 b. Examining any relevant books or records of a health
27 care facility unless otherwise protected from disclosure by
28 operation of law.

29 c. Preserving evidence of any violation of this chapter or
30 of the rules adopted pursuant to this chapter.

31 Sec. 5. Section 135C.11, subsection 2, Code 2014, is amended
32 to read as follows:

33 2. The procedure governing hearings authorized by this
34 section shall be in accordance with the rules promulgated by
35 the department. A full and complete record shall be kept

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1 of all proceedings, and all testimony shall be reported but
2 need not be transcribed unless judicial review is sought
3 pursuant to section 135C.13. Copies of the transcript may be
4 obtained by an interested party upon payment of the cost of
5 preparing the copies. Witnesses may be subpoenaed by either
6 party and shall be allowed fees at a rate prescribed by the
7 department's rules. The director may, after advising the
8 ~~certified volunteer long-term care ombudsman~~ a representative
9 of the office of long-term care ombudsman, either proceed in
10 accordance with section 135C.30, or remove all residents and
11 suspend the license or licenses of any health care facility,
12 prior to a hearing, when the director finds that the health
13 or safety of residents of the health care facility requires
14 such action on an emergency basis. ~~The fact that a certified~~
15 ~~volunteer long-term care ombudsman has not been appointed for a~~
16 ~~particular facility shall not bar the director from exercising~~
17 ~~the emergency powers granted by this subsection with respect~~
18 ~~to that facility.~~

19 Sec. 6. Section 135C.13, Code 2014, is amended to read as
20 follows:

21 **135C.13 Judicial review.**

22 Judicial review of any action of the director may be sought
23 in accordance with the terms of the Iowa administrative
24 procedure Act, chapter 17A. Notwithstanding the terms of
25 chapter 17A, petitions for judicial review may be filed in the
26 district court of the county where the facility or proposed
27 facility is located, and pending final disposition of the
28 matter the status quo of the applicant or licensee shall be
29 preserved except when the director, ~~with the advice and consent~~
30 after advising a representative of the ~~certified volunteer~~
31 office of long-term care ombudsman, determines that the health,
32 safety, or welfare of the residents of the facility is in
33 immediate danger, in which case the director may order the
34 immediate removal of such residents. ~~The fact that a certified~~
35 ~~volunteer long-term care ombudsman has not been appointed for a~~

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1 ~~particular facility shall not bar the director from exercising~~
2 ~~the emergency powers granted by this section with respect to~~
3 ~~that facility.~~

4 Sec. 7. Section 135C.14, subsection 8, paragraph d, Code
5 2014, is amended to read as follows:

6 d. The notification of ~~certified volunteer~~ the office
7 of long-term care ombudsmen ombudsman by the department of
8 all complaints relating to health care facilities and the
9 involvement of the ~~certified volunteer~~ office of long-term care
10 ~~ombudsmen~~ ombudsman in resolution of the complaints.

11 Sec. 8. Section 135C.16, subsection 3, Code 2014, is amended
12 to read as follows:

13 3. An ~~inspector~~ authorized representative of the department
14 may enter any licensed health care facility without a
15 warrant, and may examine all records pertaining to the care
16 provided residents of the facility. An ~~inspector~~ authorized
17 representative of the department may contact or interview
18 any resident, employee, or any other person who might have
19 knowledge about the operation of a health care facility.
20 An ~~inspector~~ authorized representative of the department
21 of human services shall have the same right with respect
22 to any facility where one or more residents are cared for
23 entirely or partially at public expense, and an ~~investigator~~
24 authorized representative of the designated protection and
25 advocacy agency shall have the same right with respect to
26 any facility where one or more residents have developmental
27 disabilities or mental illnesses, and the state fire marshal
28 or a deputy appointed pursuant to section 135C.9, subsection
29 1, paragraph "b", shall have the same right of entry into any
30 facility and the right to inspect any records pertinent to
31 fire safety practices and conditions within that facility, and
32 an authorized representative of the office of long-term care
33 ombudsman shall have the same right with respect to any nursing
34 facility or residential care facility. If any such ~~inspector~~
35 authorized representative has probable cause to believe that

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1 any institution, building, or agency not licensed as a health
2 care facility is in fact a health care facility as defined
3 by this chapter, and upon producing identification that the
4 individual is an ~~inspector~~ authorized representative is denied
5 entry thereto for the purpose of making an inspection, the
6 ~~inspector~~ authorized representative may, with the assistance
7 of the county attorney of the county in which the purported
8 health care facility is located, apply to the district court
9 for an order requiring the owner or occupant to permit entry
10 and inspection of the premises to determine whether there have
11 been any violations of this chapter.

12 Sec. 9. Section 135C.17, Code 2014, is amended to read as
13 follows:

14 **135C.17 Duties of other departments.**

15 It shall be the duty of the department of human services,
16 state fire marshal, office of long-term care ombudsman, and
17 the officers and agents of other state and local governmental
18 units, and the designated protection and advocacy agency to
19 assist the department in carrying out the provisions of this
20 chapter, insofar as the functions of these respective offices
21 and departments are concerned with the health, welfare, and
22 safety of any resident of any health care facility. It shall
23 be the duty of the department to cooperate with the protection
24 and advocacy agency and the office of long-term care ombudsman
25 by responding to all reasonable requests for assistance and
26 information as required by federal law and this chapter.

27 Sec. 10. Section 135C.19, subsection 2, paragraph b, Code
28 2014, is amended to read as follows:

29 *b.* A copy of each citation required to be posted by this
30 subsection shall be sent by the department to the department
31 of human services ~~and~~, to the designated protection and
32 advocacy agency if the facility has one or more residents
33 with developmental disabilities or mental illness, and to the
34 office of long-term care ombudsman if the facility is a nursing
35 facility or residential care facility.



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1 Sec. 11. Section 135C.33, subsection 2, paragraph b,
2 subparagraph (2), Code 2014, is amended to read as follows:
3 (2) Subparagraph (1) applies to a crime that is a simple
4 misdemeanor offense under section 123.47 ~~or chapter 321~~, and
5 to a crime that is a first offense of operating a motor vehicle
6 while intoxicated under section 321J.2, subsection 1.
7 Sec. 12. Section 135C.33, subsection 7, paragraphs a and b,
8 Code 2014, are amended to read as follows:
9 a. If a person employed by a facility, service, or program
10 employer that is subject to this section is convicted of a
11 crime or has a record of founded child or dependent adult abuse
12 entered in the abuse registry after the person's employment
13 application date, the person shall inform the employer of such
14 information within forty-eight hours of the criminal conviction
15 or entry of the record of founded child or dependent adult
16 abuse. The employer shall act to verify the information within
17 ~~forty-eight hours~~ seven calendar days of notification. If the
18 information is verified, the requirements of subsections 2, 3,
19 and 4 regarding employability and evaluations shall be applied
20 by the employer to determine whether or not the person's
21 employment is continued. The employer may continue to employ
22 the person pending the performance of an evaluation by the
23 department of human services to determine whether prohibition
24 of the person's employment is warranted. A person who is
25 required by this subsection to inform the person's employer of
26 a conviction or entry of an abuse record and fails to do so
27 within the required period commits a serious misdemeanor.
28 b. If a facility, service, or program employer receives
29 credible information, as determined by the employer, that a
30 person employed by the employer has been convicted of a crime
31 or a record of founded child or dependent adult abuse has been
32 entered in the abuse registry after employment from a person
33 other than the employee and the employee has not informed the
34 employer of such information within the period required under
35 paragraph "a", the employer shall act to verify the credible

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1 information within ~~forty-eight hours~~ seven calendar days of
2 receipt of the credible information. If the information is
3 verified, the requirements of subsections 2, 3, and 4 regarding
4 employability and evaluations shall be applied to determine
5 whether or not the person's employment is continued.

6 Sec. 13. Section 135C.33, subsection 8, paragraph d,
7 subparagraph (2), Code 2014, is amended to read as follows:

8 (2) Subparagraph (1) applies to a crime that is a simple
9 misdemeanor offense under section 123.47 ~~or chapter 321~~, and
10 to a crime that is a first offense of operating a motor vehicle
11 while intoxicated under section 321J.2, subsection 1.

12 Sec. 14. Section 135C.33, subsection 8, paragraph e,
13 subparagraphs (1) and (2), Code 2014, are amended to read as
14 follows:

15 (1) If a student is convicted of a crime or has a record
16 of founded child or dependent adult abuse entered in the abuse
17 registry after the record checks and any evaluation have
18 been performed, the student shall inform the certified nurse
19 aide training program of such information within forty-eight
20 hours of the criminal conviction or entry of the record of
21 founded child or dependent adult abuse. The program shall
22 act to verify the information within ~~forty-eight hours~~ seven
23 calendar days of notification. If the information is verified,
24 the requirements of paragraph "c" shall be applied by the
25 program to determine whether or not the student's involvement
26 in a clinical education component may continue. The program
27 may allow the student involvement to continue pending the
28 performance of an evaluation by the department of human
29 services. A student who is required by this subparagraph to
30 inform the program of a conviction or entry of an abuse record
31 and fails to do so within the required period commits a serious
32 misdemeanor.

33 (2) If a program receives credible information, as
34 determined by the program, that a student has been convicted
35 of a crime or a record of founded child or dependent adult

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1 abuse has been entered in the abuse registry after the record
2 checks and any evaluation have been performed, from a person
3 other than the student and the student has not informed the
4 program of such information within the period required under
5 subparagraph (1), the program shall act to verify the credible
6 information within ~~forty-eight hours~~ seven calendar days of
7 receipt of the credible information. If the information is
8 verified, the requirements of paragraph "c" shall be applied
9 to determine whether or not the student's involvement in a
10 clinical education component may continue.

11 Sec. 15. Section 135C.38, subsection 1, paragraphs a and c,
12 Code 2014, are amended to read as follows:

13 a. Upon receipt of a complaint made in accordance with
14 section 135C.37, the department ~~or certified volunteer~~
15 ~~long-term care ombudsman~~ shall make a preliminary review of
16 the complaint. Unless the department ~~or certified volunteer~~
17 ~~long-term care ombudsman~~ concludes that the complaint is
18 intended to harass a facility or a licensee or is without
19 reasonable basis, the department ~~or certified volunteer~~
20 ~~long-term care ombudsman~~ shall make or cause to be made an
21 on-site inspection of the health care facility which is the
22 subject of the complaint within the time period determined
23 pursuant to the following guidelines, which period shall
24 commence on the date of receipt of the complaint:

25 (1) For nursing facilities, an on-site inspection shall be
26 initiated as follows:

27 (a) Within two working days for a complaint determined by
28 the department ~~or certified volunteer long-term care ombudsman~~
29 to be an alleged immediate jeopardy situation.

30 (b) Within ten working days for a complaint determined by
31 the department ~~or certified volunteer long-term care ombudsman~~
32 to be an alleged high-level, nonimmediate jeopardy situation.

33 (c) Within forty-five calendar days for a complaint
34 determined by the department ~~or certified volunteer long-term~~
35 ~~care ombudsman~~ to be an alleged nonimmediate jeopardy

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1 situation, other than a high-level situation.

2 (2) For all other types of health care facilities, an
3 on-site inspection shall be initiated as follows:

4 (a) Within two working days for a complaint determined by
5 the department ~~or certified volunteer long-term care ombudsman~~
6 to be an alleged immediate jeopardy situation.

7 (b) Within twenty working days for a complaint determined by
8 the department ~~or certified volunteer long-term care ombudsman~~
9 to be an alleged high-level, nonimmediate jeopardy situation.

10 (c) Within forty-five calendar days for a complaint
11 determined by the department ~~or certified volunteer long-term~~
12 ~~care ombudsman~~ to be an alleged nonimmediate jeopardy
13 situation, other than a high-level situation.

14 c. The department may refer to ~~the certified volunteer a~~
15 representative of the office of long-term care ombudsman of a
16 ~~facility~~ any complaint received by the department regarding
17 ~~that a~~ facility, for initial evaluation and appropriate action
18 by the ~~certified volunteer~~ office of long-term care ombudsman.

19 Sec. 16. Section 135C.38, subsection 2, paragraph a, Code
20 2014, is amended to read as follows:

21 a. The complainant shall be promptly informed of the result
22 of any action taken by the department or ~~certified volunteer~~
23 the office of long-term care ombudsman in the matter. The
24 complainant shall also be notified of the name, address, and
25 telephone number of the designated protection and advocacy
26 agency if the alleged violation involves a facility with one
27 or more residents with developmental disabilities or mental
28 illness.

29 Sec. 17. Section 135C.38, subsection 3, Code 2014, is
30 amended to read as follows:

31 3. An inspection made pursuant to a complaint filed under
32 section 135C.37 need not be limited to the matter or matters
33 included in the complaint. However, the inspection shall
34 not be a general inspection unless the complaint inspection
35 coincides with a scheduled general inspection or unless in the

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1 course of the complaint investigation a violation is evident to
2 the inspector. Upon arrival at the facility to be inspected,
3 the inspector shall show identification to the person in
4 charge of the facility and state that an inspection is to be
5 made, before beginning the inspection. Upon request of either
6 the complainant or the department or ~~certified volunteer~~ a
7 representative of the office of long-term care ombudsman, the
8 complainant or the complainant's representative or both may
9 be allowed the privilege of accompanying the inspector during
10 any on-site inspection made pursuant to this section. The
11 inspector may cancel the privilege at any time if the inspector
12 determines that the privacy of any resident of the facility to
13 be inspected would otherwise be violated. The protection and
14 dignity of the resident shall be given first priority by the
15 inspector and others.

16 Sec. 18. Section 135C.38, subsection 4, Code 2014, is
17 amended by striking the subsection.

18 Sec. 19. Section 231B.8, Code 2014, is amended by striking
19 the section and inserting in lieu thereof the following:

20 **231B.8 Exit interview — issuance of findings.**

21 1. The department shall provide an elder group home an
22 exit interview at the conclusion of a monitoring evaluation
23 or complaint investigation, and the department shall inform
24 the home's representative of all issues and areas of concern
25 related to the insufficient practices. The department may
26 conduct the exit interview in person or by telephone, and
27 the department shall provide a second exit interview if any
28 additional issues or areas of concern are identified. The home
29 shall have two working days from the date of the exit interview
30 to submit additional or rebuttal information to the department.

31 2. The department shall issue the final findings of a
32 monitoring evaluation or complaint investigation within
33 ten working days after completion of the on-site monitoring
34 evaluation or complaint investigation. The final findings
35 shall be served upon the home personally, by electronic mail,

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1 or by certified mail.

2 Sec. 20. Section 231B.9, Code 2014, is amended to read as
3 follows:

4 **231B.9 Public disclosure of findings.**

5 Upon completion of a monitoring evaluation or complaint
6 investigation of an elder group home by the department pursuant
7 to this chapter, ~~including the conclusion of informal review,~~
8 the department's final findings with respect to compliance by
9 the elder group home with requirements for certification shall
10 be made available to the public in a readily available form
11 and place. Other information relating to an elder group home
12 that is obtained by the department which does not constitute
13 the department's final findings from a monitoring evaluation or
14 complaint investigation of the elder group home shall not be
15 made available to the public except in proceedings involving
16 the denial, suspension, or revocation of a certificate under
17 this chapter.

18 Sec. 21. NEW SECTION. **231B.9A Informal conference — formal**
19 **contest — judicial review.**

20 1. Within twenty business days after issuance of the final
21 findings, the elder group home shall notify the director if the
22 home desires to contest the findings and request an informal
23 conference.

24 2. The department shall provide an independent reviewer to
25 hold an informal conference with an elder group home within
26 ten working days after receiving a request from the home
27 pursuant to subsection 1. At the conclusion of the informal
28 conference, the independent reviewer may affirm, modify, or
29 dismiss a contested regulatory insufficiency. The independent
30 reviewer shall state in writing the specific reasons for
31 the affirmation, modification, or dismissal and immediately
32 transmit copies of the statement to the department and to the
33 home.

34 3. An independent reviewer shall be licensed as an attorney
35 in the state of Iowa and shall not be employed or have been

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1 employed by the department in the past eight years or have
2 appeared in front of the department on behalf of an elder group
3 home in the past eight years. Preference shall be given to an
4 attorney with background knowledge, experience, or training
5 in long-term care. The department may issue a request for
6 proposals to enter into a contract for the purpose of providing
7 one or more independent reviewers for informal conferences.

8 4. An elder group home that desires to further contest an
9 affirmed or modified regulatory insufficiency may do so in the
10 manner provided by chapter 17A for contested cases. The home
11 shall give notice of intent to formally contest a regulatory
12 insufficiency, in writing, to the department within five days
13 after receipt of the written decision of the independent
14 reviewer. The formal hearing shall be conducted in accordance
15 with chapter 17A and rules adopted by the department.

16 5. An elder group home that has exhausted all adequate
17 administrative remedies and is aggrieved by the final action of
18 the department may petition for judicial review in the manner
19 provided by chapter 17A.

20 Sec. 22. Section 231B.10, subsection 1, Code 2014, is
21 amended by adding the following new paragraphs:

22 NEW PARAGRAPH. *0i.* In the case of an application by an
23 existing certificate holder for a new or newly acquired elder
24 group home, continuing or repeated failure of the certificate
25 holder to operate any previously certified elder group home
26 or homes in compliance with the provisions of this chapter,
27 the rules adopted pursuant to this chapter, or equivalent
28 provisions that the elder group home is subject to in this
29 state or any other state.

30 NEW PARAGRAPH. *00i.* Preventing or interfering with or
31 attempting to prevent or interfere with the performance by any
32 duly authorized representative of the department of the lawful
33 enforcement of this chapter or of the rules adopted pursuant to
34 this chapter. As used in this paragraph, "lawful enforcement"
35 includes but is not limited to the following:

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1 (1) Contacting or interviewing any tenant of an elder group
2 home in private at any reasonable hour and without advance
3 notice.

4 (2) Examining any relevant books or records of an elder
5 group home unless otherwise protected from disclosure by
6 operation of law.

7 (3) Preserving evidence of any violation of this chapter or
8 of the rules adopted pursuant to this chapter.

9 Sec. 23. Section 231C.10, subsection 1, Code 2014, is
10 amended by adding the following new paragraphs:

11 NEW PARAGRAPH. *0i.* In the case of an application by
12 an existing certificate holder for a new or newly acquired
13 assisted living program, continuing or repeated failure of the
14 certificate holder to operate any previously certified assisted
15 living program or programs in compliance with the provisions
16 of this chapter, the rules adopted pursuant to this chapter,
17 or equivalent provisions that the assisted living program is
18 subject to in this state or any other state.

19 NEW PARAGRAPH. *00i.* Preventing or interfering with or
20 attempting to prevent or interfere with the performance by any
21 duly authorized representative of the department of the lawful
22 enforcement of this chapter or of the rules adopted pursuant to
23 this chapter. As used in this paragraph, "*lawful enforcement*"
24 includes but is not limited to the following:

25 (1) Contacting or interviewing any tenant of an assisted
26 living program in private at any reasonable hour and without
27 advance notice.

28 (2) Examining any relevant books or records of an assisted
29 living program unless otherwise protected from disclosure by
30 operation of law.

31 (3) Preserving evidence of any violation of this chapter or
32 of the rules adopted pursuant to this chapter.

33 Sec. 24. Section 231D.5, subsection 1, Code 2014, is amended
34 by adding the following new paragraphs:

35 NEW PARAGRAPH. *0k.* In the case of an application by

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1 an existing certificate holder for a new or newly acquired
2 adult day services program, continuing or repeated failure of
3 the certificate holder to operate any previously certified
4 adult day services program or programs in compliance with the
5 provisions of this chapter, the rules adopted pursuant to this
6 chapter, or equivalent provisions that the adult day services
7 program is subject to in this state or any other state.

8 NEW PARAGRAPH. *00k.* Preventing or interfering with or
9 attempting to prevent or interfere with the performance by any
10 duly authorized representative of the department of the lawful
11 enforcement of this chapter or of the rules adopted pursuant to
12 this chapter. As used in this paragraph, "*lawful enforcement*"
13 includes but is not limited to the following:

14 (1) Contacting or interviewing any participant of an adult
15 day services program in private at any reasonable hour and
16 without advance notice.

17 (2) Examining any relevant books or records of an adult day
18 services program unless otherwise protected from disclosure by
19 operation of law.

20 (3) Preserving evidence of any violation of this chapter or
21 of the rules adopted pursuant to this chapter.

22 Sec. 25. Section 231D.9A, Code 2014, is amended by striking
23 the section and inserting in lieu thereof the following:

24 **231D.9A Exit interview — issuance of findings.**

25 1. The department shall provide an adult day services
26 program an exit interview at the conclusion of a monitoring
27 evaluation or a complaint investigation, and the department
28 shall inform the program's representative of all issues and
29 areas of concern related to the insufficient practices. The
30 department may conduct the exit interview in person or by
31 telephone, and the department shall provide a second exit
32 interview if any additional issues or areas of concern are
33 identified. The program shall have two working days from the
34 date of the exit interview to submit additional or rebuttal
35 information to the department.

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1 2. The department shall issue the final findings of a
2 monitoring evaluation or complaint investigation within
3 ten working days after completion of the on-site monitoring
4 evaluation or complaint investigation. The final findings
5 shall be served upon the program personally, by electronic
6 mail, or by certified mail.

7 Sec. 26. Section 231D.10, Code 2014, is amended to read as
8 follows:

9 **231D.10 Public disclosure of findings.**

10 Upon completion of a monitoring evaluation or complaint
11 investigation of an adult day services program by the
12 department pursuant to this chapter, ~~including the conclusion~~
13 ~~of informal review~~, the department's final findings with
14 respect to compliance by the adult day services program with
15 requirements for certification shall be made available to
16 the public in a readily available form and place. Other
17 information relating to an adult day services program that
18 is obtained by the department which does not constitute the
19 department's final findings from a monitoring evaluation or
20 complaint investigation of the adult day services program shall
21 not be made available to the public except in proceedings
22 involving the denial, suspension, or revocation of a
23 certificate under this chapter.

24 Sec. 27. NEW SECTION. **231D.10A Informal conference —**
25 **formal contest — judicial review.**

26 1. Within twenty business days after issuance of the final
27 findings, the adult day services program shall notify the
28 director if the program desires to contest the findings and
29 request an informal conference.

30 2. The department shall provide an independent reviewer
31 to hold an informal conference with an adult day services
32 program within ten working days after receiving a request from
33 the program pursuant to subsection 1. At the conclusion of
34 the informal conference, the independent reviewer may affirm,
35 modify, or dismiss a contested regulatory insufficiency. The

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1 independent reviewer shall state in writing the specific
2 reasons for the affirmation, modification, or dismissal and
3 immediately transmit copies of the statement to the department
4 and to the program.

5 3. An independent reviewer shall be licensed as an attorney
6 in the state of Iowa and shall not be employed or have been
7 employed by the department in the past eight years or have
8 appeared in front of the department on behalf of an adult day
9 services program in the past eight years. Preference shall be
10 given to an attorney with background knowledge, experience,
11 or training in long-term care. The department may issue a
12 request for proposals to enter into a contract for the purpose
13 of providing one or more independent reviewers for informal
14 conferences.

15 4. An adult day services program that desires to further
16 contest an affirmed or modified regulatory insufficiency may do
17 so in the manner provided by chapter 17A for contested cases.
18 The program shall give notice of intent to formally contest
19 a regulatory insufficiency, in writing, to the department
20 within five days after receipt of the written decision of the
21 independent reviewer. The formal hearing shall be conducted
22 in accordance with chapter 17A and rules adopted by the
23 department.

24 5. An adult day services program that has exhausted all
25 adequate administrative remedies and is aggrieved by the final
26 action of the department may petition for judicial review in
27 the manner provided by chapter 17A.

28 Sec. 28. APPLICABILITY.

29 1. The sections of this Act amending sections 231B.8 and
30 231B.9 and adding section 231B.9A apply to an elder group home
31 desiring to request an informal conference under chapter 231B
32 on or after January 1, 2015.

33 2. The sections of this Act amending sections 231D.9A and
34 231D.10 and adding section 231D.10A apply to an adult day
35 services program desiring to request an informal conference

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1 under chapter 231D on or after January 1, 2015.

2 EXPLANATION

3 The inclusion of this explanation does not constitute agreement with
4 the explanation's substance by the members of the general assembly.

5 This bill makes changes to employment background checks,
6 disciplinary procedures, and procedures for contesting
7 regulatory insufficiencies for certain entities regulated by
8 the department of inspections and appeals (DIA).

9 The bill changes the crimes for which a hospital can
10 temporarily employ a person who committed the crime pending
11 completion of a department of human services evaluation
12 to determine whether the crime warrants prohibition of
13 employment at the hospital or health care facility. The bill
14 disallows such continued employment for simple misdemeanors
15 under the motor vehicles and law of the road chapter. The
16 bill eliminates duplicative language regarding crimes for
17 which a health care facility can temporarily employ a person
18 who committed a crime and crimes for which a student can
19 temporarily continue with a clinical education component.

20 The bill also provides that if a hospital or health care
21 facility subject to background checks for employees is informed
22 after the applicant or employee's application date that the
23 applicant or employee is convicted of a crime or has a record
24 of founded child or dependent adult abuse entered in the abuse
25 registry, the hospital or health care facility shall act
26 within seven calendar days rather than 48 hours to verify that
27 information. The bill also amends the equivalent verification
28 time period for students in a certified nurse aide training
29 program from 48 hours to seven days.

30 The bill provides that the DIA has the authority to deny,
31 suspend, or revoke the license of a health care facility, elder
32 group home, assisted living program, or adult day services
33 program for the failure to comply with any provisions that the
34 entity is subject to that are equivalent to those provisions
35 in Code chapter 135C, 231B, 231C, or 231D, respectively, and

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1 for preventing or interfering with or attempting to prevent
2 or interfere with the performance by any duly authorized
3 representative of DIA or the lawful enforcement of the laws or
4 rules of the respective Code chapters.

5 The bill replaces references to a certified volunteer
6 long-term care ombudsman with a representative of the office
7 of long-term care ombudsman in certain circumstances including
8 inspecting a facility upon a complaint of alleged violations.

9 The bill also replaces certain references to inspectors and
10 investigators for inspections of health care facilities with
11 references to authorized representatives of DIA, the department
12 of human services, or the office of long-term care ombudsman,
13 as applicable. The bill also provides that the office of
14 long-term care ombudsman is required to assist DIA in carrying
15 out the provisions of the health care facilities Code chapter.

16 The bill replaces the informal review process for contesting
17 regulatory insufficiencies identified through monitoring
18 evaluations or complaint investigations of elder group homes
19 and adult day services programs with an exit interview,
20 informal conference, formal contest, and judicial review in a
21 process similar to that available for health care facilities
22 and assisted living programs. The informal conference is
23 conducted by an independent reviewer who may affirm, modify,
24 or dismiss the regulatory insufficiency. The reviewer must
25 provide specific written reasons for the decision and transmit
26 copies of that statement to DIA and the elder group home or
27 adult day services program. An elder group home or adult day
28 services program that wants to further contest the independent
29 reviewer's affirmed or modified regulatory insufficiency may do
30 so pursuant to the provisions in Code chapter 17A for contested
31 cases. After exhausting the administrative remedies, an elder
32 group home or adult day services program may petition for
33 judicial review pursuant to Code chapter 17A. The changes to
34 the informal review process apply to elder group homes and
35 adult day services programs wishing to request an informal

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1 conference on or after January 1, 2015.



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Senate File 2168 - Introduced

SENATE FILE 2168
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 3116)

A BILL FOR

1 An Act creating the Iowa uniform power of attorney Act and
2 providing penalties and including applicability provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 144A.7, subsection 1, paragraph a, Code
2 2014, is amended to read as follows:

3 a. The attorney in fact designated to make treatment
4 decisions for the patient should such person be diagnosed as
5 suffering from a terminal condition, if the designation is in
6 writing and complies with chapter 144B ~~or section 633B.1.~~

7 Sec. 2. Section 231E.3, subsection 15, Code 2014, is amended
8 to read as follows:

9 15. "Power of attorney" means a durable power of attorney
10 for health care as defined in section 144B.1 or a power of
11 attorney ~~that becomes effective upon the disability of the~~
12 ~~principal as described in section 633B.1~~ executed pursuant to
13 chapter 633B.

14 Sec. 3. NEW SECTION. 633B.101 Title.

15 This chapter shall be known and may be cited as the "Iowa
16 Uniform Power of Attorney Act".

17 Sec. 4. NEW SECTION. 633B.102 Definitions.

18 1. "Agent" means a person granted authority to act for a
19 principal under a power of attorney, whether denominated an
20 agent, attorney in fact, or otherwise. The term includes an
21 original agent, coagent, successor agent, and a person to which
22 an agent's authority is delegated.

23 2. "Conservator" or "conservatorship" means a conservator
24 appointed or conservatorship established pursuant to sections
25 633.570 and 633.572 or a similar provision of the laws of
26 another state.

27 3. "Durable", with respect to a power of attorney, means not
28 terminated by the principal's incapacity.

29 4. "Electronic" means relating to technology having
30 electrical, digital, magnetic, wireless, optical,
31 electromagnetic, or similar capabilities.

32 5. "Good faith" means honesty in fact.

33 6. "Guardian" or "guardianship" means a guardian appointed
34 or a guardianship established pursuant to sections 633.556 and
35 633.560 or a similar provision of the laws of another state.

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- 1 7. *"Incapacity"* means the inability of an individual to
2 manage property or business affairs because the individual is
3 any of the following:
4 *a.* An individual whose decision-making capacity is so
5 impaired that the individual is unable to make, communicate,
6 or carry out important decisions concerning the individual's
7 financial affairs.
8 *b.* Missing.
9 *c.* Detained, including but not limited to an individual
10 incarcerated in a penal system.
11 *d.* Outside the United States and unable to return.
12 8. *"Person"* means an individual, corporation, business
13 trust, estate, trust, partnership, limited liability company,
14 association, joint venture, public corporation, government or
15 governmental subdivision, agency, or instrumentality, or any
16 other legal or commercial entity.
17 9. *"Power of attorney"* means a writing or other record
18 that grants authority to an agent to act in the place of the
19 principal, whether or not the term "power of attorney" is used.
20 10. *"Presently exercisable general power of appointment"*,
21 with respect to property or a property interest subject to
22 a power of appointment, means power exercisable at the time
23 in question to vest absolute ownership in the principal
24 individually, the principal's estate, the principal's
25 creditors, or the creditors of the principal's estate. The
26 term includes a power of appointment not exercisable until
27 the occurrence of a specified event, the satisfaction of an
28 ascertainable standard, or the passage of a specified period
29 of time only after the occurrence of the specified event, the
30 satisfaction of the ascertainable standard, or the passage of
31 the specified period of time. The term does not include a
32 power exercisable in a fiduciary capacity or only by will.
33 11. *"Principal"* means an individual who grants authority to
34 an agent in a power of attorney.
35 12. *"Property"* means anything that may be the subject of

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1 ownership, whether real or personal, or legal or equitable, or
2 any interest or right therein.

3 13. "*Record*" means information that is inscribed on a
4 tangible medium or that is stored in an electronic or other
5 medium and is retrievable in perceivable form.

6 14. "*Sign*" means, with present intent to authenticate or
7 adopt a record, to do any of the following:

8 a. Execute or adopt a tangible symbol.

9 b. Attach to or logically associate with the record an
10 electronic sound, symbol, or process.

11 15. "*State*" means a state of the United States, the District
12 of Columbia, Puerto Rico, the United States Virgin Islands, or
13 any territory or insular possession subject to the jurisdiction
14 of the United States.

15 16. "*Stocks and bonds*" means stocks, bonds, mutual funds,
16 and all other types of securities and financial instruments,
17 whether held directly, indirectly, or in any other manner. The
18 term does not include commodity futures contracts and call or
19 put options on stocks or stock indexes.

20 Sec. 5. NEW SECTION. 633B.103 **Applicability.**

21 This chapter applies to all powers of attorney except for the
22 following:

23 1. A power to the extent it is coupled with an interest
24 of the agent in the subject of the power, including but not
25 limited to a power given to or for the benefit of a creditor in
26 connection with a credit transaction.

27 2. A power to make health care decisions.

28 3. A proxy or other delegation to exercise voting rights or
29 management rights with respect to an entity.

30 4. A power created on a form prescribed by a government
31 or governmental subdivision, agency, or instrumentality for a
32 governmental purpose.

33 Sec. 6. NEW SECTION. 633B.104 **Durability of power of**
34 **attorney.**

35 A power of attorney created under this chapter is durable

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1 unless the power of attorney expressly provides that it is
2 terminated by the incapacity of the principal.

3 Sec. 7. NEW SECTION. 633B.105 **Execution.**

4 A power of attorney must be signed by the principal or in
5 the principal's conscious presence by another individual, other
6 than any prospective agent, directed by the principal to sign
7 the principal's name on the power of attorney. A power of
8 attorney must be acknowledged before a notary public or other
9 individual authorized by law to take acknowledgments. An
10 agent named in the power of attorney shall not notarize the
11 principal's signature. An acknowledged signature on a power of
12 attorney is presumed to be genuine.

13 Sec. 8. NEW SECTION. 633B.106 **Validity.**

14 1. A power of attorney executed in this state on or
15 after July 1, 2014, is valid if the execution of the power of
16 attorney complies with section 633B.105.

17 2. A power of attorney executed in this state before July
18 1, 2014, is valid if the execution of the power of attorney
19 complied with the law of this state as it existed at the time
20 of execution.

21 3. A power of attorney executed other than in this state
22 is valid in this state if, when the power of attorney was
23 executed, the execution complied with any of the following:

24 a. The law of the jurisdiction that determines the meaning
25 and effect of the power of attorney pursuant to section
26 633B.107.

27 b. The requirements for a military power of attorney
28 pursuant to 10 U.S.C. §1044b, as amended.

29 4. Except as otherwise provided by law, a photocopy or
30 electronically transmitted copy of an original power of
31 attorney has the same effect as the original.

32 Sec. 9. NEW SECTION. 633B.107 **Meaning and effect.**

33 The meaning and effect of a power of attorney is determined
34 by the law of the jurisdiction indicated in the power of
35 attorney and, in the absence of an indication of jurisdiction,

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1 by the law of the jurisdiction in which the power of attorney
2 was executed.

3 Sec. 10. NEW SECTION. 633B.108 **Nomination of conservator or**
4 **guardian — relation of agent to court-appointed fiduciary.**

5 1. Under a power of attorney, a principal may nominate
6 a conservator of the principal's estate or guardian of
7 the principal's person for consideration by the court if
8 proceedings for the principal's estate or person are begun
9 after the principal executes the power of attorney. Except
10 for good cause shown or disqualification, the court shall make
11 its appointment in accordance with the principal's most recent
12 nomination. This section does not prohibit an individual
13 from executing a petition for the voluntary appointment of a
14 guardian or conservator on a standby basis pursuant to sections
15 633.560 and 633.591.

16 2. If, after a principal executes a power of attorney,
17 a court appoints a conservator of the principal's estate or
18 other fiduciary charged with the management of some or all of
19 the principal's property, the power of attorney is suspended
20 unless the power of attorney provides otherwise or unless the
21 court appointing the conservator decides the power of attorney
22 should continue. If the power of attorney continues, the agent
23 is accountable to the fiduciary as well as to the principal.
24 The power of attorney shall be reinstated upon termination of
25 the conservatorship as a result of the principal regaining
26 capacity.

27 Sec. 11. NEW SECTION. 633B.109 **When power of attorney**
28 **effective.**

29 1. A power of attorney is effective when executed unless
30 the principal provides in the power of attorney that it becomes
31 effective at a future date or upon the occurrence of a future
32 event or contingency.

33 2. If a power of attorney becomes effective upon the
34 occurrence of a future event or contingency, the principal,
35 in the power of attorney, may authorize one or more persons

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1 to determine in a writing or other record that the event or
2 contingency has occurred.

3 3. If a power of attorney becomes effective upon the
4 principal's incapacity and the principal has not authorized
5 a person to determine whether the principal is incapacitated
6 or the person authorized is unable or unwilling to make the
7 determination, the power of attorney becomes effective upon a
8 determination in a writing or other record by the occurrence
9 of any of the following:

10 a. A licensed physician or licensed psychologist determines
11 that the principal is incapacitated.

12 b. A licensed attorney at law, a judge, or an appropriate
13 governmental official determines that the principal is
14 incapacitated.

15 4. A person authorized by the principal in the power of
16 attorney to determine that the principal is incapacitated may
17 act as the principal's personal representative pursuant to the
18 federal Health Insurance Portability and Accountability Act of
19 1996, Pub. L. No. 104-191, including amendments thereto and
20 regulations promulgated thereunder, to obtain access to the
21 principal's health care information and to communicate with the
22 principal's health care provider.

23 Sec. 12. NEW SECTION. 633B.110 Termination — power of
24 attorney or agent authority.

25 1. A power of attorney terminates when any of the following
26 occur:

27 a. The principal dies.

28 b. The principal becomes incapacitated, if the power of
29 attorney is not durable.

30 c. The principal revokes the power of attorney.

31 d. The power of attorney provides that it terminates.

32 e. The purpose of the power of attorney is accomplished.

33 f. The principal revokes the agent's authority or the agent
34 dies, becomes incapacitated, or resigns, and the power of
35 attorney does not provide for another agent to act under the

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1 power of attorney.

2 2. An agent's authority terminates when any of the following
3 occur:

4 a. The principal revokes the authority.

5 b. The agent dies, becomes incapacitated, or resigns.

6 c. An action is filed for the dissolution or annulment
7 of the agent's marriage to the principal or for their legal
8 separation, unless the power of attorney otherwise provides.

9 d. The power of attorney terminates.

10 3. Unless the power of attorney otherwise provides, an
11 agent's authority is exercisable until the agent's authority
12 terminates under subsection 2, notwithstanding a lapse of time
13 since the execution of the power of attorney.

14 4. Termination of a power of attorney or an agent's
15 authority under this section is not effective as to the
16 agent or another person that, without actual knowledge of the
17 termination, acts in good faith under the power of attorney.
18 An act so performed, unless otherwise invalid or unenforceable,
19 binds the principal and the principal's successors in interest.

20 5. Incapacity of the principal of a power of attorney
21 that is not durable does not revoke or terminate the power of
22 attorney as to an agent or other person that, without actual
23 knowledge of the incapacity, acts in good faith under the power
24 of attorney. An act so performed, unless otherwise invalid
25 or unenforceable, binds the principal and the principal's
26 successors in interest.

27 6. Except as provided in section 633B.103, the execution of
28 a general or plenary power of attorney revokes all general or
29 plenary powers of attorney previously executed in this state by
30 the principal, but does not revoke a power of attorney limited
31 to a specific and identifiable action or transaction, which
32 action or transaction is still capable of performance but has
33 not yet been fully accomplished by the agent.

34 Sec. 13. NEW SECTION. 633B.111 **Coagents and successor**
35 **agents.**



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1 1. A principal may designate two or more persons to act as
2 coagents. Unless the power of attorney otherwise provides, all
3 of the following apply to actions of coagents:

4 a. A power held by coagents shall be exercised by majority
5 action.

6 b. If impasse occurs due to the failure to reach a majority
7 decision, any agent may petition the court to decide the issue,
8 or a majority of the agents may consent to an alternative form
9 of dispute resolution.

10 c. If one or more agents resigns or becomes unable to act,
11 the remaining coagents may act.

12 d. If a coagent is unavailable to perform duties because of
13 absence, illness, or other temporary inability to perform, the
14 remaining agents may exercise their authority as if they were
15 the only agents.

16 2. A principal may designate one or more successor agents
17 to act if an agent resigns, dies, becomes incapacitated, is
18 not qualified to serve, or declines to serve. A principal may
19 grant authority to designate one or more successor agents to an
20 agent or other person designated by name, office, or function.
21 Unless the power of attorney otherwise provides, a successor
22 agent:

23 a. Has the same authority as that granted to the original
24 agent.

25 b. Shall not act until all predecessor agents have resigned,
26 died, become incapacitated, are no longer qualified to serve,
27 or have declined to serve.

28 3. Except as otherwise provided in the power of attorney
29 and subsection 4, an agent that does not participate in or
30 conceal a breach of fiduciary duty committed by another agent,
31 including a predecessor agent, is not liable for the actions
32 of the other agent.

33 4. An agent with actual knowledge of a breach or imminent
34 breach of fiduciary duty by another agent shall notify the
35 principal and, if the principal is incapacitated, take any



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1 action reasonably appropriate in the circumstances to safeguard
2 the principal's best interest. An agent that fails to notify
3 the principal or take action as required by this subsection is
4 liable for the reasonably foreseeable damages that could have
5 been avoided if the agent had notified the principal or taken
6 such action.

7 Sec. 14. NEW SECTION. 633B.112 Reimbursement and
8 compensation of agent.

9 Unless the power of attorney otherwise provides, an
10 agent who is an individual is entitled to reimbursement of
11 expenses reasonably incurred on behalf of the principal but
12 not to compensation. If a power of attorney does provide
13 for compensation or if the agent is a bank or trust company
14 authorized to administer trusts in Iowa, the compensation must
15 be reasonable under the circumstances.

16 Sec. 15. NEW SECTION. 633B.113 Agent's acceptance.

17 Except as otherwise provided in the power of attorney,
18 a person accepts appointment as an agent under a power of
19 attorney by exercising authority or performing duties as
20 an agent or by any other assertion or conduct indicating
21 acceptance.

22 Sec. 16. NEW SECTION. 633B.114 Agent's duties.

23 1. Notwithstanding provisions in the power of attorney, an
24 agent that has accepted appointment shall act in conformity
25 with all of the following:

26 a. In accordance with the principal's reasonable
27 expectations to the extent actually known by the agent and
28 otherwise in the principal's best interest.

29 b. In good faith.

30 c. Only within the scope of authority granted in the power
31 of attorney.

32 2. Except as otherwise provided in the power of attorney,
33 an agent that has accepted appointment shall do all of the
34 following:

35 a. Act loyally for the principal's benefit.

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- 1 *b.* Act so as not to create a conflict of interest that
2 impairs the agent's ability to act impartially in the
3 principal's best interest.
- 4 *c.* Act with the care, competence, and diligence ordinarily
5 exercised by agents in similar circumstances.
- 6 *d.* Keep a record of all receipts, disbursements, and
7 transactions made on behalf of the principal.
- 8 *e.* Cooperate with a person that has authority to make health
9 care decisions for the principal to carry out the principal's
10 reasonable expectations to the extent actually known by the
11 agent and, otherwise, act in the principal's best interest.
- 12 *f.* Attempt to preserve the principal's estate plan, to the
13 extent actually known by the agent, if preserving the plan is
14 consistent with the principal's best interest based upon all
15 relevant factors, including all of the following:
- 16 (1) The value and nature of the principal's property.
- 17 (2) The principal's foreseeable obligations and need for
18 maintenance.
- 19 (3) Minimization of the principal's taxes, including
20 income, estate, inheritance, generation-skipping transfer, and
21 gift taxes.
- 22 (4) The principal's eligibility for a benefit, a program, or
23 assistance under a statute or regulation or contract.
- 24 3. An agent that acts in good faith is not liable to any
25 beneficiary under the principal's estate plan for failure to
26 preserve the plan.
- 27 4. An agent that acts with care, competence, and diligence
28 for the best interest of the principal is not liable solely
29 because the agent also benefits from the act or has an
30 individual or conflicting interest in relation to the property
31 or affairs of the principal.
- 32 5. If an agent is selected by the principal because of
33 special skills or expertise possessed by the agent or in
34 reliance on the agent's representation that the agent has
35 special skills or expertise, the special skills or expertise

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1 shall be considered in determining whether the agent has acted
2 with care, competence, and diligence under the circumstances.

3 6. Absent a breach of duty to the principal, an agent is not
4 liable if the value of the principal's property declines.

5 7. An agent that exercises authority to delegate to another
6 person the authority granted by the principal or that engages
7 another person on behalf of the principal is not liable for an
8 act, error of judgment, or default of that person if the agent
9 exercises care, competence, and diligence in selecting and
10 monitoring the person.

11 8. Except as otherwise provided in the power of attorney,
12 an agent is not required to disclose receipts, disbursements,
13 or transactions conducted on behalf of the principal unless
14 ordered by a court or requested by the principal, a guardian,
15 a conservator, another fiduciary acting for the principal, a
16 governmental agency having authority to protect the welfare
17 of the principal, or, upon the death of the principal, by the
18 personal representative or a successor in interest of the
19 principal's estate. If an agent receives a request to disclose
20 such information, the agent shall comply with the request
21 within thirty days of the request or provide a writing or other
22 record substantiating why additional time is necessary. Such
23 additional time shall not exceed thirty days.

24 Sec. 17. NEW SECTION. 633B.115 **Exoneration of agent.**

25 A provision in a power of attorney relieving an agent of
26 liability for breach of duty is binding on the principal and
27 the principal's successors in interest except to the extent the
28 provision does any of the following:

29 1. Relieves the agent of liability for a breach of duty
30 committed dishonestly, with an improper motive, or with
31 reckless indifference to the purposes of the power of attorney
32 or the best interest of the principal.

33 2. Was included in the power of attorney as a result of
34 an abuse of a confidential or fiduciary relationship with the
35 principal.

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1 Sec. 18. NEW SECTION. **633B.116 Judicial relief.**
2 1. The following persons may petition a court to construe a
3 power of attorney or to review an agent's conduct:
4 *a.* The principal or the agent.
5 *b.* A guardian, conservator, or other fiduciary acting for
6 the principal.
7 *c.* A person authorized to make health care decisions for the
8 principal.
9 *d.* The principal's spouse, parent, or descendant or an
10 individual who would qualify as a presumptive heir of the
11 principal.
12 *e.* A person named as a beneficiary to receive any property,
13 benefit, or contractual right upon the principal's death or as
14 a beneficiary of a trust created by or for the principal that
15 has a financial interest in the principal's estate.
16 *f.* A governmental agency having regulatory authority to
17 protect the welfare of the principal.
18 *g.* The principal's caregiver or another person that
19 demonstrates sufficient interest in the principal's welfare.
20 *h.* A person asked to accept the power of attorney.
21 *i.* A person designated by the principal in the power of
22 attorney.
23 2. Upon motion to dismiss by the principal, the court shall
24 dismiss a petition filed under this section unless the court
25 finds that the principal lacks the capacity to revoke the
26 agent's authority or the power of attorney.
27 3. The costs of an action under this section shall be
28 assessed against the principal or the principal's estate unless
29 the court determines such costs and fees should be assessed
30 against the petitioner or the agent for good cause shown.
31 Sec. 19. NEW SECTION. **633B.117 Agent's liability.**
32 An agent that violates this chapter is liable to the
33 principal or the principal's successors in interest for the
34 amount required to do both of the following:
35 1. Restore the value of the principal's property to what it

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1 would have been had the violation not occurred.

2 2. Reimburse the principal or the principal's successors
3 in interest for attorney fees and costs paid on the agent's
4 behalf.

5 Sec. 20. NEW SECTION. 633B.118 Agent's resignation —
6 notice.

7 Unless the power of attorney provides for a different method
8 for an agent's resignation, an agent may resign by giving
9 notice to the principal and, if the principal is incapacitated,
10 to any of the following:

11 1. The conservator or guardian, if a conservator or guardian
12 has been appointed for the principal, and any coagent or
13 successor agent.

14 2. If there is no conservator, guardian, or coagent or
15 successor agent, the agent may give notice to any of the
16 following:

17 a. The principal's caregiver.

18 b. Any other person reasonably believed by the agent to have
19 sufficient interest in the principal's welfare.

20 c. A governmental agency having regulatory authority to
21 protect the welfare of the principal.

22 Sec. 21. NEW SECTION. 633B.119 Acknowledged power of
23 attorney — acceptance and reliance.

24 1. For purposes of this section and section 633B.120,
25 "acknowledged" means purportedly verified before a notary public
26 or other individual authorized by law to take acknowledgments.

27 2. A person that in good faith accepts an acknowledged power
28 of attorney without actual knowledge that the signature is not
29 genuine may rely upon the presumption under section 633B.105
30 that the signature is genuine.

31 3. A person that in good faith accepts an acknowledged power
32 of attorney without actual knowledge that the power of attorney
33 is void, invalid, or terminated, that the purported agent's
34 authority is void, invalid, or terminated, or that the agent is
35 exceeding or improperly exercising the agent's authority may

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1 rely upon the power of attorney as if the power of attorney
2 were genuine, valid, and still in effect, the agent's authority
3 were genuine, valid, and still in effect, and the agent had not
4 exceeded and had not improperly exercised the authority.

5 4. A person that is asked to accept an acknowledged power
6 of attorney may request, and rely upon, all of the following
7 without further investigation:

8 a. An agent's certification under penalty of perjury of any
9 factual matter concerning the principal, agent, or power of
10 attorney in substantially the same form as set out in section
11 633B.302.

12 b. An English translation of the power of attorney if the
13 power of attorney contains, in whole or in part, language other
14 than English.

15 c. An opinion of agent's counsel as to any matter of law
16 concerning the power of attorney if the person making the
17 request provides the reason for the request in a writing or
18 other record.

19 5. An English translation or an opinion of counsel requested
20 under this section shall be provided at the principal's expense
21 unless the request is made more than seven business days after
22 the power of attorney is presented for acceptance.

23 6. For purposes of this section and section 633B.120, a
24 person who conducts activities through an employee is without
25 actual knowledge of a fact relating to a power of attorney,
26 a principal, or an agent if the employee conducting the
27 transaction involving the power of attorney is without actual
28 knowledge of the fact.

29 Sec. 22. NEW SECTION. 633B.120 Refusal to accept
30 acknowledged power of attorney — liability.

31 1. Except as otherwise provided in subsection 2, all of
32 the following shall apply to a person's actions regarding an
33 acknowledged power of attorney:

34 a. A person shall either accept an acknowledged power of
35 attorney or request a certification, a translation, or an

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1 opinion of counsel under section 633B.119, subsection 4, no
2 later than seven business days after presentation of the power
3 of attorney for acceptance.

4 *b.* If a person requests a certification, a translation, or
5 an opinion of counsel under section 633B.199, subsection 4, the
6 person shall accept the power of attorney no later than five
7 business days after receipt of the certification, translation,
8 or opinion of counsel.

9 *c.* A person shall not require an additional or different
10 form of power of attorney for authority granted in the power
11 of attorney presented.

12 2. A person is not required to accept an acknowledged power
13 of attorney if any of the following occur:

14 *a.* The person is not otherwise required to engage in a
15 transaction with the principal in the same circumstances.

16 *b.* Engaging in a transaction with the agent or the principal
17 in the same circumstances would be inconsistent with federal
18 law.

19 *c.* The person has actual knowledge of the termination of the
20 agent's authority or of the power of attorney before exercise
21 of the power.

22 *d.* A request for a certification, a translation, or an
23 opinion of counsel under section 633B.119, subsection 4, is
24 refused.

25 *e.* The person in good faith believes that the power is
26 not valid or that the agent does not have the authority to
27 perform the act requested, whether or not a certification, a
28 translation, or an opinion of counsel under section 633B.119,
29 subsection 4, has been requested or provided.

30 *f.* The person makes, or has actual knowledge that another
31 person has made, a report to the department of human services
32 stating a good-faith belief that the principal may be subject
33 to physical or financial abuse, neglect, exploitation, or
34 abandonment by the agent or a person acting for or with the
35 agent.



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1 3. A person that refuses to accept an acknowledged power of
2 attorney in violation of this section is subject to both of the
3 following:

4 a. A court order mandating acceptance of the power of
5 attorney.

6 b. Liability for damages sustained by the principal for
7 reasonable attorney fees and costs incurred in any action or
8 proceeding that confirms the validity of the power of attorney
9 or mandates acceptance of the power of attorney, provided that
10 any such action must be brought within one year of the initial
11 request for acceptance of the power of attorney.

12 Sec. 23. NEW SECTION. 633B.121 Principles of law and
13 equity.

14 Unless displaced by a provision of this chapter, the
15 principles of law and equity supplement this chapter.

16 Sec. 24. NEW SECTION. 633B.122 Laws applicable to financial
17 institutions and entities.

18 This chapter does not supersede any other law applicable to
19 financial institutions or other entities, and the other law
20 controls if inconsistent with this chapter.

21 Sec. 25. NEW SECTION. 633B.123 Remedies under other law.

22 The remedies under this chapter are not exclusive and do not
23 abrogate any right or remedy under the law of this state other
24 than this chapter.

25 Sec. 26. NEW SECTION. 633B.201 Authority — specific and
26 general.

27 1. An agent under a power of attorney may do any of the
28 following on behalf of the principal or with the principal's
29 property only if the power of attorney expressly grants the
30 agent the authority and the exercise of the authority is not
31 otherwise prohibited by another agreement or instrument to
32 which the authority or property is subject:

33 a. Create, amend, revoke, or terminate an inter vivos trust.

34 b. Make a gift.

35 c. Create or change rights of survivorship.

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- 1 *d.* Create or change a beneficiary designation.
2 *e.* Delegate authority granted under the power of attorney.
3 *f.* Waive the principal's right to be a beneficiary of a
4 joint and survivor annuity, including but not limited to a
5 survivor benefit under a retirement plan.
6 *g.* Exercise fiduciary powers that the principal has
7 authority to delegate.
8 *h.* Disclaim property, including but not limited to a power
9 of appointment.
10 2. Notwithstanding a grant of authority to do an act
11 described in subsection 1, unless the power of attorney
12 otherwise provides, an agent that is not an ancestor, spouse,
13 or descendant of the principal shall not exercise authority
14 under a power of attorney to create in the agent, or in an
15 individual to whom the agent owes a legal obligation of
16 support, an interest in the principal's property, whether
17 by gift, right of survivorship, beneficiary designation,
18 disclaimer, or otherwise.
19 3. Subject to subsections 1, 2, 4, and 5, if a power
20 of attorney grants an agent authority to do all acts that
21 a principal could do, the agent has the general authority
22 described in sections 633B.204 through 633B.216.
23 4. Unless the power of attorney otherwise provides, a grant
24 of authority to make a gift is subject to section 633B.217.
25 5. Subject to subsections 1, 2, and 4, if the subjects over
26 which authority is granted in a power of attorney are similar
27 or overlap, the broadest authority controls.
28 6. Authority granted in a power of attorney is exercisable
29 with respect to property that the principal has when the power
30 of attorney is executed or acquires later, whether or not
31 the property is located in this state and whether or not the
32 authority is exercised or the power of attorney is executed in
33 this state.
34 7. An act performed by an agent pursuant to a power of
35 attorney has the same effect and inures to the benefit of and

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1 binds the principal and the principal's successors in interest
2 as if the principal had performed the act.

3 Sec. 27. NEW SECTION. 633B.202 Incorporation of authority.

4 1. An agent has authority described in this chapter if the
5 power of attorney refers to general authority with respect
6 to the descriptive term for the subjects stated in sections
7 633B.204 through 633B.217 or cites the section in which the
8 authority is described.

9 2. A reference in a power of attorney to general authority
10 with respect to the descriptive term for a subject stated in
11 sections 633B.204 through 633B.217 or a citation to a section
12 in sections 633B.204 through 633B.217 incorporates the entire
13 section as if it were set out in full in the power of attorney.

14 3. A principal may modify authority incorporated by
15 reference.

16 Sec. 28. NEW SECTION. 633B.203 Construction of authority
17 generally.

18 Except as otherwise provided in the power of attorney, by
19 executing a power of attorney that incorporates by reference a
20 subject described in sections 633B.204 through 633B.217 or that
21 grants an agent authority to do all acts that a principal could
22 do pursuant to section 633B.201, subsection 3, a principal
23 authorizes the agent, with respect to that subject, to do all
24 of the following:

25 1. Demand, receive, and obtain by litigation or otherwise,
26 money or another thing of value to which the principal is,
27 may become, or claims to be entitled, and conserve, invest,
28 disburse, or use anything so received or obtained for the
29 purposes intended.

30 2. Contract in any manner with any person, on terms
31 agreeable to the agent, to accomplish a purpose of a
32 transaction and perform, rescind, cancel, terminate, reform,
33 restate, release, or modify the contract or another contract
34 made by or on behalf of the principal.

35 3. Execute, acknowledge, seal, deliver, file, or record

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1 any instrument or communication the agent considers desirable
2 to accomplish a purpose of a transaction, including but not
3 limited to creating at any time a schedule listing some or all
4 of the principal's property and attaching the instrument of
5 communication to the power of attorney.

6 4. Initiate, participate in, submit to alternative dispute
7 resolution, settle, oppose, or propose or accept a compromise
8 with respect to a claim existing in favor of or against the
9 principal or intervene in litigation relating to the claim.

10 5. Seek on the principal's behalf the assistance of a court
11 or other governmental agency to carry out an act authorized in
12 the power of attorney.

13 6. Engage, compensate, and discharge an attorney,
14 accountant, discretionary investment manager, expert witness,
15 or other advisor.

16 7. Prepare, execute, and file a record, report, or other
17 document to safeguard or promote the principal's interest under
18 a statute, rule, or regulation.

19 8. Communicate with any representative or employee
20 of a government or governmental subdivision, agency, or
21 instrumentality, on behalf of the principal.

22 9. Access communications intended for, and communicate
23 on behalf of the principal, whether by mail, electronic
24 transmission, telephone, or other means.

25 10. Do any lawful act with respect to the subject and all
26 property related to the subject.

27 Sec. 29. NEW SECTION. 633B.204 Real property.

28 Unless the power of attorney otherwise provides and subject
29 to section 633B.201, language in a power of attorney granting
30 general authority with respect to real property authorizes the
31 agent to do all of the following:

32 1. Demand, buy, lease, receive, accept as a gift or as
33 security for an extension of credit, or otherwise acquire or
34 reject an interest in real property or a right incident to real
35 property.



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- 1 2. Sell; exchange; convey with or without covenants,
2 representations, or warranties; quitclaim; release; surrender;
3 retain title for security; encumber; partition; consent to
4 partitioning; be subject to an easement or covenant; subdivide;
5 apply for zoning or other governmental permits; plat or consent
6 to platting; develop; grant an option concerning; lease;
7 sublease; contribute to an entity in exchange for an interest
8 in that entity; or otherwise grant or dispose of an interest in
9 real property or a right incident to real property.
- 10 3. Pledge or mortgage an interest in real property or right
11 incident to real property as security to borrow money or pay,
12 renew, or extend the time of payment of a debt of the principal
13 or a debt guaranteed by the principal.
- 14 4. Release, assign, satisfy, or enforce by litigation
15 or otherwise, a mortgage, deed of trust, conditional sale
16 contract, encumbrance, lien, or other claim to real property
17 which exists or is asserted.
- 18 5. Manage or conserve an interest in real property or a
19 right incident to real property owned or claimed to be owned
20 by the principal, including but not limited to by doing all of
21 the following:
- 22 a. Insuring against liability or casualty or other loss.
23 b. Obtaining or regaining possession of or protecting the
24 interest or right by litigation or otherwise.
- 25 c. Paying, assessing, compromising, or contesting taxes or
26 assessments or applying for and receiving refunds in connection
27 with them.
- 28 d. Purchasing supplies, hiring assistance or labor, and
29 making repairs or alterations to the real property.
- 30 6. Use, develop, alter, replace, remove, erect, or install
31 structures or other improvements upon real property in or
32 incident to which the principal has, or claims to have, an
33 interest or right.
- 34 7. Participate in a reorganization with respect to real
35 property or an entity that owns an interest in or a right

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1 incident to real property and receive, hold, and act with
2 respect to stocks and bonds or other property received in
3 a plan of reorganization, including by doing any of the
4 following:

5 a. By selling or otherwise disposing of the stocks, bonds,
6 or other property.

7 b. By exercising or selling an option, right of conversion,
8 or similar right.

9 c. By exercising any voting rights in person or by proxy.

10 8. Change the form of title of an interest in or right
11 incident to real property.

12 9. Dedicate to public use, with or without consideration,
13 easements or other real property in which the principal has,
14 or claims to have, an interest.

15 Sec. 30. NEW SECTION. **633B.205 Tangible personal property.**

16 Unless the power of attorney otherwise provides and subject
17 to section 633B.201, language in a power of attorney granting
18 general authority with respect to tangible personal property
19 authorizes the agent to do all of the following:

20 1. Demand, buy, receive, accept as a gift or as security
21 for an extension of credit, or otherwise acquire or reject
22 ownership or possession of tangible personal property or an
23 interest in tangible personal property.

24 2. Sell; exchange; convey with or without covenants,
25 representations, or warranties; quitclaim; release; surrender;
26 create a security interest in; grant options concerning; lease;
27 sublease; or, otherwise dispose of tangible personal property
28 or an interest in tangible personal property.

29 3. Grant a security interest in tangible personal property
30 or an interest in tangible personal property as security to
31 borrow money or pay, renew, or extend the time of payment of a
32 debt of the principal or a debt guaranteed by the principal.

33 4. Release, assign, satisfy, or enforce by litigation or
34 otherwise, a security interest, lien, or other claim on behalf
35 of the principal, with respect to tangible personal property or

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1 an interest in tangible personal property.

2 5. Manage or conserve tangible personal property or an
3 interest in tangible personal property on behalf of the
4 principal, including by doing all of the following:

5 a. Insuring against liability or casualty or other loss.

6 b. Obtaining or regaining possession of or protecting the
7 property or interest, by litigation or otherwise.

8 c. Paying, assessing, compromising, or contesting taxes or
9 assessments or applying for and receiving refunds in connection
10 with taxes or assessments.

11 d. Moving the property from place to place.

12 e. Storing the property for hire or on a gratuitous
13 bailment.

14 f. Using and making repairs, alterations, or improvements to
15 the property.

16 6. Change the form of title of an interest in tangible
17 personal property.

18 Sec. 31. NEW SECTION. 633B.206 **Stocks and bonds.**

19 Unless the power of attorney otherwise provides and subject
20 to section 633B.201, language in a power of attorney granting
21 general authority with respect to stocks and bonds authorizes
22 the agent to do all of the following:

23 1. Buy, sell, and exchange stocks and bonds.

24 2. Establish, continue, modify, or terminate an account
25 with respect to stocks and bonds.

26 3. Pledge stocks and bonds as security to borrow, pay,
27 renew, or extend the time of payment of a debt of the
28 principal.

29 4. Receive certificates and other evidence of ownership
30 with respect to stocks and bonds.

31 5. Exercise voting rights with respect to stocks and bonds
32 in person or by proxy, enter into voting trusts, and consent to
33 limitations on the right to vote.

34 Sec. 32. NEW SECTION. 633B.207 **Commodities and options.**

35 Unless the power of attorney otherwise provides and subject

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1 to section 633B.201, language in a power of attorney granting
2 general authority with respect to commodities and options
3 authorizes the agent to do all of the following:

4 1. Buy, sell, exchange, assign, settle, and exercise
5 commodity futures contracts and call or put options on stocks
6 or stock indexes traded on a regulated option exchange.

7 2. Establish, continue, modify, and terminate option
8 accounts.

9 Sec. 33. NEW SECTION. 633B.208 Banks and other financial
10 institutions.

11 Unless the power of attorney otherwise provides and subject
12 to section 633B.201, language in a power of attorney granting
13 general authority with respect to banks and other financial
14 institutions authorizes the agent to do all of the following:

15 1. Continue, modify, and terminate an account or other
16 banking arrangement made by or on behalf of the principal.

17 2. Establish, modify, and terminate an account or other
18 banking arrangement with a bank, trust company, savings and
19 loan association, credit union, thrift company, brokerage firm,
20 or other financial institution selected by the agent.

21 3. Contract for services available from a financial
22 institution, including but not limited to renting a safe
23 deposit box or space in a vault.

24 4. Withdraw, by check, order, electronic funds transfer, or
25 otherwise, money or property of the principal deposited with or
26 left in the custody of a financial institution.

27 5. Receive statements of account, vouchers, notices, and
28 similar documents from a financial institution and act with
29 respect to them.

30 6. Enter a safe deposit box or vault and withdraw or add to
31 the contents.

32 7. Borrow money and pledge as security personal property
33 of the principal necessary to borrow money or pay, renew, or
34 extend the time of payment of a debt of the principal or a debt
35 guaranteed by the principal.

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1 8. Make, assign, draw, endorse, discount, guarantee,
2 and negotiate promissory notes, checks, drafts, and other
3 negotiable or nonnegotiable paper of the principal or payable
4 to the principal or the principal's order, transfer money,
5 receive the cash or other proceeds of those transactions, and
6 accept a draft drawn by a person upon the principal and pay
7 the promissory note, check, draft, or other negotiable or
8 nonnegotiable paper when due.

9 9. Receive for the principal and act upon a sight draft,
10 warehouse receipt, or other document of title whether tangible
11 or electronic, or any other negotiable or nonnegotiable
12 instrument.

13 10. Apply for, receive, and use letters of credit, credit
14 and debit cards, electronic transaction authorizations, and
15 traveler's checks from a financial institution and give an
16 indemnity or other agreement in connection with letters of
17 credit.

18 11. Consent to an extension of the time of payment with
19 respect to commercial paper or a financial transaction with a
20 financial institution.

21 Sec. 34. NEW SECTION. 633B.209 Operation of entity or
22 business.

23 Subject to the terms of a document or an agreement governing
24 an entity or business or an entity or business ownership
25 interest, and subject to section 633B.201, and unless the
26 power of attorney otherwise provides, language in a power of
27 attorney granting general authority with respect to operation
28 of an entity or business authorizes the agent to do all of the
29 following:

30 1. Operate, buy, sell, enlarge, reduce, or terminate an
31 ownership interest.

32 2. Perform a duty or discharge a liability and exercise in
33 person or by proxy a right, power, privilege, or option that
34 the principal has, may have, or claims to have.

35 3. Enforce the terms of an ownership agreement.

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1 4. Initiate, participate in, submit to alternative dispute
2 resolution, settle, oppose, or propose or accept a compromise
3 with respect to litigation to which the principal is a party
4 because of an ownership interest.

5 5. Exercise in person or by proxy or enforce by litigation
6 or otherwise, a right, power, privilege, or option the
7 principal has or claims to have as the holder of stocks and
8 bonds.

9 6. Initiate, participate in, submit to alternative dispute
10 resolution, settle, oppose, or propose or accept a compromise
11 with respect to litigation to which the principal is a party
12 concerning stocks and bonds.

13 7. Do all of the following with respect to an entity or
14 business owned solely by the principal:

15 a. Continue, modify, renegotiate, extend, and terminate a
16 contract made by or on behalf of the principal with respect
17 to the entity or business before execution of the power of
18 attorney.

19 b. Determine all of the following:

20 (1) The location of the entity or business operation.

21 (2) The nature and extent of the entity or business.

22 (3) The methods of manufacturing, selling, merchandising,
23 financing, accounting, and advertising employed in the
24 operation of the entity or business.

25 (4) The amount and types of insurance carried by the entity
26 or business.

27 (5) The mode of engaging, compensating, and dealing with
28 the employees, accountants, attorneys, or other advisors of the
29 entity or business.

30 c. Change the name or form of organization under which the
31 entity or business is operated and enter into an ownership
32 agreement with other persons to take over all or part of the
33 operation of the entity or business.

34 d. Demand and receive money due or claimed by the principal
35 or on the principal's behalf in the operation of the entity or

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1 business and control and disburse the money in the operation of
2 the entity or business.

3 8. Inject needed capital into an entity or business in which
4 the principal has an interest.

5 9. Join in a plan of reorganization, consolidation,
6 conversion, domestication, or merger of the entity or business.

7 10. Sell or liquidate all or part of the entity or business.

8 11. Establish the value of an entity or business under a
9 buyout agreement to which the principal is a party.

10 12. Prepare, sign, file, and deliver reports, compilations
11 of information, returns, or other papers with respect to an
12 entity or business and make related payments.

13 13. Pay, compromise, or contest taxes, assessments, fines,
14 or penalties and perform any other act to protect the principal
15 from illegal or unnecessary taxation, assessments, fines, or
16 penalties with respect to an entity or business, including but
17 not limited to attempts to recover, in any manner permitted by
18 law, money paid before or after the execution of the power of
19 attorney.

20 Sec. 35. NEW SECTION. 633B.210 Insurance and annuities.

21 Unless the power of attorney otherwise provides and subject
22 to section 633B.201, language in a power of attorney granting
23 general authority with respect to insurance and annuities
24 authorizes the agent to do all of the following:

25 1. Continue, pay the premium or make a contribution on,
26 modify, exchange, rescind, release, or terminate a contract
27 procured by or on behalf of the principal which insures or
28 provides an annuity to either the principal or another person
29 whether or not the principal is a beneficiary under the
30 contract.

31 2. Procure new, different, and additional contracts of
32 insurance and annuities for the principal and the principal's
33 spouse, children, and other dependents, and select the amount,
34 type of insurance or annuity, and mode of payment.

35 3. Pay the premium or make a contribution on, modify,

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1 exchange, rescind, release, or terminate a contract of
2 insurance or annuity procured by the agent.
3 4. Apply for and receive a loan secured by a contract of
4 insurance or annuity.
5 5. Surrender and receive the cash surrender value on a
6 contract of insurance or annuity.
7 6. Exercise an election.
8 7. Exercise investment powers available under a contract of
9 insurance or annuity.
10 8. Change the manner of paying premiums on a contract of
11 insurance or annuity.
12 9. Change or convert the type of insurance or annuity with
13 respect to which the principal has or claims to have authority
14 described in this section.
15 10. Apply for and procure a benefit or assistance under a
16 statute, rule, or regulation to guarantee or pay premiums of a
17 contract of insurance on the life of the principal.
18 11. Collect, sell, assign, hypothecate, borrow against, or
19 pledge the interest of the principal in a contract of insurance
20 or annuity.
21 12. Select the form and timing of the payment of proceeds
22 from a contract of insurance or annuity.
23 13. Pay, from proceeds or otherwise, compromise or contest,
24 and apply for refunds in connection with a tax or assessment
25 levied by a taxing authority with respect to a contract of
26 insurance or annuity or its proceeds or liability accruing by
27 reason of the tax or assessment.
28 Sec. 36. NEW SECTION. 633B.211 Estates, trusts, and other
29 beneficial interests.
30 1. In this section, "*estate, trust, or other beneficial*
31 *interest*" means a trust, probate estate, guardianship,
32 conservatorship, escrow, or custodianship, or a fund from which
33 the principal is, may become, or claims to be, entitled to a
34 share or payment.
35 2. Unless the power of attorney otherwise provides,

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1 language in a power of attorney granting general authority with
2 respect to estates, trusts, and other beneficial interests
3 authorizes the agent to do all of the following:

4 *a.* Accept, receive, provide a receipt for, sell, assign,
5 pledge, or exchange a share in or payment from an estate,
6 trust, or other beneficial interest.

7 *b.* Demand or obtain money or another thing of value to which
8 the principal is, may become, or claims to be, entitled by
9 reason of an estate, trust, or other beneficial interest, by
10 litigation or otherwise.

11 *c.* Exercise for the benefit of the principal a presently
12 exercisable general power of appointment held by the principal.

13 *d.* Initiate, participate in, submit to alternative dispute
14 resolution, settle, oppose, or propose or accept a compromise
15 with respect to litigation to ascertain the meaning, validity,
16 or effect of a deed, will, declaration of trust, or other
17 instrument or transaction affecting the interest of the
18 principal.

19 *e.* Initiate, participate in, submit to alternative dispute
20 resolution, settle, oppose, or propose or accept a compromise
21 with respect to litigation to remove, substitute, or surcharge
22 a fiduciary.

23 *f.* Conserve, invest, disburse, or use any assets received
24 for an authorized purpose.

25 *g.* Transfer an interest of the principal in real property,
26 stocks and bonds, accounts with financial institutions or
27 securities intermediaries, insurance, annuities, and other
28 property to the trustee of a revocable trust created by the
29 principal as settlor.

30 *h.* Reject, renounce, disclaim, release, or consent to a
31 reduction in or modification of a share in or payment from an
32 estate, trust, or other beneficial interest.

33 Sec. 37. NEW SECTION. **633B.212 Claims and litigation.**

34 Unless the power of attorney otherwise provides and subject
35 to section 633B.201, language in a power of attorney granting

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1 general authority with respect to claims and litigation
2 authorizes the agent to do all of the following:
3 1. Assert and maintain before a court or administrative
4 agency a claim, claim for relief, cause of action,
5 counterclaim, offset, recoupment, or defense, including but
6 not limited to an action to recover property or other thing of
7 value, recover damages sustained by the principal, eliminate
8 or modify tax liability, or seek an injunction, specific
9 performance, or other relief.
10 2. Bring an action to determine adverse claims or intervene
11 or otherwise participate in litigation.
12 3. Seek an attachment, garnishment, or other preliminary,
13 provisional, or intermediate relief and use an available
14 procedure to effect or satisfy a judgment, order, or decree.
15 4. Make or accept a tender, offer of judgment, or admission
16 of facts, submit a controversy on an agreed statement of facts,
17 consent to examination, and bind the principal in litigation.
18 5. Submit to alternative dispute resolution, or settle,
19 propose, or accept a compromise.
20 6. Waive the issuance and service of process upon the
21 principal, accept service of process, appear for the principal,
22 designate persons upon which process directed to the principal
23 may be served, execute and file or deliver stipulations on the
24 principal's behalf, verify pleadings, seek appellate review,
25 procure and give surety and indemnity bonds, contract and
26 pay for the preparation and printing of records and briefs,
27 receive, execute, and file or deliver a consent, waiver,
28 release, confession of judgment, satisfaction of judgment,
29 notice, agreement, or other instrument in connection with the
30 prosecution, settlement, or defense of a claim or litigation.
31 7. Act for the principal with respect to bankruptcy or
32 insolvency, whether voluntary or involuntary, concerning
33 the principal or some other person, or with respect to
34 a reorganization, receivership, or application for the
35 appointment of a receiver or trustee which affects an interest

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1 of the principal in property or other thing of value.

2 8. Pay a judgment, award, or order against the principal or
3 a settlement made in connection with a claim or litigation.

4 9. Receive money or other thing of value paid in settlement
5 of or as proceeds of a claim or litigation.

6 Sec. 38. NEW SECTION. 633B.213 **Personal and family**
7 **maintenance.**

8 1. Unless the power of attorney otherwise provides and
9 subject to subsection 633B.201, language in a power of attorney
10 granting general authority with respect to personal and family
11 maintenance authorizes the agent to do all of the following:

12 a. Perform the acts necessary to maintain the customary
13 standard of living of the principal, the principal's spouse,
14 and the following individuals, whether living when the power of
15 attorney is executed or later born:

16 (1) The principal's minor children.

17 (2) The principal's adult children who are pursuing a
18 postsecondary school education and are under the age of
19 twenty-five.

20 (3) The principal's parents or the parents of the
21 principal's spouse, if the principal had established a pattern
22 of such payments.

23 (4) Any other individuals legally entitled to be supported
24 by the principal.

25 b. Make periodic payments of child support and other family
26 maintenance required by a court or governmental agency or an
27 agreement to which the principal is a party.

28 c. Provide living quarters for the individuals described in
29 paragraph "a" by any of the following:

30 (1) Purchase, lease, or other contract.

31 (2) Paying the operating costs, including but not limited
32 to interest, amortization payments, repairs, improvements, and
33 taxes, for premises owned by the principal or occupied by those
34 individuals.

35 d. Provide funds for shelter, clothing, food, appropriate

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1 education, including postsecondary and vocational education,
2 and other current living costs for the individuals described
3 in paragraph "a" to enable those individuals to maintain their
4 customary standard of living.

5 e. Pay expenses for necessary health care and custodial care
6 on behalf of the individuals described in paragraph "a".

7 f. Act as the principal's personal representative pursuant
8 to the federal Health Insurance Portability and Accountability
9 Act of 1996, Pub. L. No. 104-191, including amendments thereto
10 and regulations promulgated thereunder, in making decisions
11 related to past, present, or future payments for the provision
12 of health care consented to by the principal or anyone
13 authorized under the law of this state to consent to health
14 care on behalf of the principal.

15 g. Continue any provision made by the principal for
16 automobiles or other means of transportation, including
17 registering, licensing, insuring, and replacing them, for the
18 individuals described in paragraph "a".

19 h. Maintain credit and debit accounts for the convenience
20 of the individuals described in paragraph "a" and open new
21 accounts.

22 i. Continue payments or contributions incidental to the
23 membership or affiliation of the principal in a religious
24 institution, club, society, order, or other organization.

25 2. Authority with respect to personal and family
26 maintenance is neither dependent upon, nor limited by,
27 authority that an agent may or may not have with respect to
28 gifts under this chapter.

29 Sec. 39. NEW SECTION. 633B.214 Benefits from governmental
30 programs or civil or military service.

31 1. In this section, "benefits from governmental programs
32 or civil or military service" means any benefit, program,
33 or assistance provided under a statute, rule, or regulation
34 relating to but not limited to social security, Medicare, or
35 Medicaid.

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1 2. Unless the power of attorney otherwise provides,
2 language in a power of attorney granting general authority
3 with respect to benefits from governmental programs or civil
4 or military service authorizes the agent to do all of the
5 following:

6 a. Execute vouchers in the name of the principal for
7 allowances and reimbursements payable by the United States, a
8 foreign government, or a state or subdivision of a state to
9 the principal, including but not limited to allowances and
10 reimbursements for transportation of the individuals described
11 in section 633B.213, subsection 1, paragraph "a", and for
12 shipment of the household effects of such individuals.

13 b. Take possession and order the removal and shipment of
14 property of the principal from a post, warehouse, depot, dock,
15 or other place of storage or safekeeping, either governmental
16 or private, and execute and deliver a release, voucher,
17 receipt, bill of lading, shipping ticket, certificate, or other
18 instrument for that purpose.

19 c. Enroll in, apply for, select, reject, change, amend, or
20 discontinue, on the principal's behalf, a benefit or program.

21 d. Prepare, file, and maintain a claim of the principal for
22 a benefit or assistance, financial or otherwise, to which the
23 principal may be entitled under a statute, rule, or regulation.

24 e. Initiate, participate in, submit to alternative dispute
25 resolution, settle, oppose, or propose or accept a compromise
26 with respect to litigation concerning any benefit or assistance
27 the principal may be entitled to receive under a statute, rule,
28 or regulation.

29 f. Receive the financial proceeds of a claim described in
30 paragraph "d" and conserve, invest, disburse, or use for a
31 lawful purpose anything so received.

32 Sec. 40. NEW SECTION. 633B.215 Retirement plans.

33 1. In this section, "retirement plan" means a plan or
34 account created by an employer, the principal, or another
35 individual to provide retirement benefits or deferred

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1 compensation in which the principal is a participant,
2 beneficiary, or owner, including but not limited to a plan or
3 account under the following sections of the Internal Revenue
4 Code:
5 *a.* An individual retirement account in accordance with
6 section 408.
7 *b.* A Roth individual retirement account established under
8 section 408A.
9 *c.* A deemed individual retirement account under section
10 408(q).
11 *d.* An annuity or mutual fund custodial account under section
12 403(b).
13 *e.* A pension, profit-sharing, stock bonus, or other
14 retirement plan qualified under section 401(a).
15 *f.* An eligible deferred compensation plan under section
16 457(b).
17 *g.* A nonqualified deferred compensation plan under section
18 409A.
19 2. Unless the power of attorney otherwise provides,
20 language in a power of attorney granting general authority with
21 respect to retirement plans authorizes the agent to do all of
22 the following:
23 *a.* Select the form and timing of payments under a retirement
24 plan and withdraw benefits from a plan.
25 *b.* Make a rollover, including a direct trustee-to-trustee
26 rollover of benefits from one retirement plan to another.
27 *c.* Establish a retirement plan in the principal's name.
28 *d.* Make contributions to a retirement plan.
29 *e.* Exercise investment powers available under a retirement
30 plan.
31 *f.* Borrow from, sell assets to, or purchase assets from a
32 retirement plan.
33 Sec. 41. NEW SECTION. **633B.216 Taxes.**
34 Unless the power of attorney otherwise provides, language in
35 a power of attorney granting general authority with respect to

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1 taxes authorizes the agent to do all of the following:
2 1. Prepare, sign, and file federal, state, local, and
3 foreign income, gift, payroll, property, Federal Insurance
4 Contributions Act returns and other tax returns, claims for
5 refunds, requests for extension of time, petitions regarding
6 tax matters, and any other tax-related documents, including
7 receipts, offers, waivers, consents, including but not limited
8 to consents and agreements under section 2032A of the Internal
9 Revenue Code, closing agreements, and any power of attorney
10 required by the Internal Revenue Service or other taxing
11 authority with respect to a tax year upon which the statute of
12 limitations has not run.
13 2. Pay taxes due, collect refunds, post bonds, receive
14 confidential information, and contest deficiencies determined
15 by the Internal Revenue Service or other taxing authority.
16 3. Exercise any election available to the principal under
17 federal, state, local, or foreign tax law.
18 4. Act for the principal in all tax matters for all periods
19 before the Internal Revenue Service or any other taxing
20 authority.
21 Sec. 42. NEW SECTION. 633B.217 Gifts.
22 1. In this section, a gift *"for the benefit of"* a person
23 includes a gift to a trust, an account under a uniform
24 transfers to minors Act, and a qualified state tuition program
25 exempt from taxation pursuant to section 529 of the Internal
26 Revenue Code.
27 2. Unless the power of attorney otherwise provides,
28 language in a power of attorney granting general authority with
29 respect to gifts authorizes the agent only to do all of the
30 following:
31 a. Make a gift of any of the principal's property outright
32 to, or for the benefit of, a person, including but not limited
33 to by the exercise of a presently exercisable general power
34 of appointment held by the principal, in an amount per donee
35 not to exceed the annual dollar limits of the federal gift

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1 tax exclusion under section 2503(b) of the Internal Revenue
2 Code without regard to whether the federal gift tax exclusion
3 applies to the gift or if the principal's spouse agrees
4 to consent to a split gift pursuant to section 2513 of the
5 Internal Revenue Code in an amount per donee not to exceed
6 twice the annual federal gift tax exclusion limit.

7 **b.** Consent to the splitting of a gift made by the
8 principal's spouse pursuant to section 2513 of the Internal
9 Revenue Code in an amount per donee not to exceed the aggregate
10 annual gift tax exclusions for both spouses.

11 **3.** An agent may make a gift of the principal's property
12 only as the agent determines is consistent with the principal's
13 objectives if actually known by the agent and, if unknown,
14 as the agent determines is consistent with the principal's
15 best interest based on all relevant factors, including but not
16 limited to all of the following:

17 **a.** The value and nature of the principal's property.

18 **b.** The principal's foreseeable obligations and need for
19 maintenance.

20 **c.** The minimization of taxes, including but not limited to
21 income, estate, inheritance, generation-skipping transfer, and
22 gift taxes.

23 **d.** Eligibility for a benefit, a program, or assistance under
24 a statute, rule, or regulation.

25 **e.** The principal's personal history of making or joining in
26 making gifts.

27 **Sec. 43. NEW SECTION. 633B.301 Power of attorney — form.**

28 A document substantially in the following form may be used to
29 create a statutory power of attorney that has the meaning and
30 effect prescribed by this chapter:

31 **IOWA STATUTORY POWER OF ATTORNEY FORM**

32 **1. POWER OF ATTORNEY**

33 This power of attorney authorizes another person (your
34 agent) to make decisions concerning your property for you (the
35 principal). Your agent will be able to make decisions and act

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1 with respect to your property (including but not limited to
2 your money) whether or not you are able to act for yourself.
3 The meaning of authority over subjects listed on this form is
4 explained in the Iowa Uniform Power of Attorney Act, Iowa Code
5 chapter 633B.

6 This power of attorney does not authorize the agent to make
7 health care decisions for you.

8 You should select someone you trust to serve as your agent.
9 Unless you specify otherwise, generally the agent's authority
10 will continue until you die or revoke the power of attorney or
11 the agent resigns or is unable to act for you.

12 Your agent is not entitled to compensation unless you state
13 otherwise in the optional Special Instructions.

14 This form provides for designation of one agent. If you
15 wish to name more than one agent, you may name a coagent in the
16 optional Special Instructions. Coagents must act by majority
17 rule unless you provide otherwise in the optional Special
18 Instructions.

19 If your agent is unable or unwilling to act for you, your
20 power of attorney will end unless you have named a successor
21 agent. You may also name a second successor agent.

22 This power of attorney becomes effective immediately upon
23 signature and acknowledgment unless you state otherwise in the
24 optional Special Instructions.

25 If you have questions about this power of attorney or the
26 authority you are granting to your agent, you should seek legal
27 advice before signing this form.

28 DESIGNATION OF AGENT

29 I _____ (name of principal) name the
30 following person as my agent:

31 Name of Agent _____

32 Agent's Address _____

33 Agent's Telephone Number _____

34 DESIGNATION OF SUCCESSOR AGENT(S) (OPTIONAL)

35 If my agent is unable or unwilling to act for me, I name as

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1 my successor agent:

2 Name of Successor Agent _____

3 Successor Agent's Address _____

4 Successor Agent's Telephone Number _____

5 If my successor agent is unable or unwilling to act for me, I
6 name as my second successor agent:

7 Name of Second Successor Agent _____

8 Second Successor Agent's Address _____

9 Second Successor Agent's Telephone Number _____

10 GRANT OF GENERAL AUTHORITY

11 I grant my agent and any successor agent general authority to
12 act for me with respect to the following subjects as defined in
13 the Iowa Uniform Power of Attorney Act, Iowa Code chapter 633B:

14 (Initial each subject you want to include in the agent's
15 general authority. If you wish to grant general authority over
16 all of the subjects you may initial "All Preceding Subjects"
17 instead of initialing each subject.)

18 ___ Real Property

19 ___ Tangible Personal Property

20 ___ Stocks and Bonds

21 ___ Commodities and Options

22 ___ Banks and Other Financial Institutions

23 ___ Operation of Entity or Business

24 ___ Insurance and Annuities

25 ___ Estates, Trusts, and Other Beneficial Interests

26 ___ Claims and Litigation

27 ___ Personal and Family Maintenance

28 ___ Benefits from Governmental Programs or Civil or Military

29 Service

30 ___ Retirement Plans

31 ___ Taxes

32 ___ All Preceding Subjects

33 GRANT OF SPECIFIC AUTHORITY (OPTIONAL)

34 My agent shall not do any of the following specific acts for
35 me unless I have initialed the specific authority listed below:

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1 (Caution: Granting any of the following will give your agent
2 the authority to take actions that could significantly reduce
3 your property or change how your property is distributed at
4 your death. Initial only the specific authority you WANT to
5 give your agent.)

6 ____ Amend, revoke, or terminate a revocable inter vivos
7 trust, if authorized by the trust.

8 ____ Agree to the amendment or termination of any other inter
9 vivos trust.

10 ____ Make a gift to an individual who is not an agent, subject
11 to the limitations of the Iowa Uniform Power of Attorney Act,
12 Iowa Code section 633B.217, and any special instructions in
13 this power of attorney.

14 Make gifts, either direct or indirect, to my agent acting
15 under this power of attorney as follows:

16 ____ Any such gift must be approved in writing by
17 _____; or

18 ____ No third party approval is needed.

19 ____ Authorize another person to exercise the authority
20 granted under this power of attorney.

21 ____ Waive the principal's right to be a beneficiary of a
22 joint and survivor annuity, including a survivor benefit under
23 a retirement plan.

24 ____ Exercise fiduciary powers that the principal has
25 authority to delegate.

26 ____ Disclaim or refuse an interest in property, including a
27 power of appointment.

28 LIMITATION ON AGENT'S AUTHORITY

29 An agent that is not my ancestor, spouse, or descendant shall
30 not use my property to benefit the agent or a person to whom the
31 agent owes an obligation of support unless I have included that
32 authority in the optional Special Instructions.

33 SPECIAL INSTRUCTIONS (OPTIONAL)

34 You may give special instructions on the following lines:

35 _____

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1 _____
2 _____
3 _____
4 _____
5 _____
6 _____
7 _____
8 _____
9 _____
10 _____

11 _____ shall have the authority to
12 request an accounting of any agent.

13 EFFECTIVE DATE

14 This power of attorney is effective immediately upon
15 signature and acknowledgment unless I have stated otherwise in
16 the optional Special Instructions.

17 NOMINATION OF CONSERVATOR AND GUARDIAN (OPTIONAL)

18 If it becomes necessary for a court to appoint a conservator
19 of my estate or guardian of my person, I nominate the following
20 person(s) for appointment:

21 Name of Nominee for Conservator of My Estate _____

22 Nominee's Address _____

23 Nominee's Telephone Number _____

24 Name of Nominee for Guardian of My Person _____

25 Nominee's Address _____

26 Nominee's Telephone Number _____

27 RELIANCE ON THIS POWER OF ATTORNEY

28 Any person, including my agent, may rely upon the validity of
29 this power of attorney or a copy of it unless that person knows
30 it has terminated or is invalid.

31 SIGNATURE AND ACKNOWLEDGMENT

32 _____

33 Your Signature

_____ Date

34 _____

35 Your Name Printed



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1 _____
2 _____
3 Your Address
4 _____
5 Your Telephone Number
6 State of _____
7 County of _____
8 This document was acknowledged before me on _____
9 (date), by _____ (name of principal)
10 _____ (Seal, if any)
11 Signature of Notary
12 My commission expires _____
13 This document prepared by
14 _____
15 _____

16 2. IMPORTANT INFORMATION FOR AGENT

17 AGENT'S DUTIES

18 When you accept the authority granted under this power of
19 attorney, a special legal relationship is created between the
20 principal and you. This relationship imposes upon you legal
21 duties that continue until you resign or the power of attorney
22 is terminated or revoked. You must do all of the following:

23 Do what you know the principal reasonably expects you to
24 do with the principal's property or, if you do not know the
25 principal's expectations, act in the principal's best interest.

26 Act in good faith.

27 Do nothing beyond the authority granted in this power of
28 attorney.

29 Disclose your identity as an agent whenever you act for the
30 principal by writing or printing the name of the principal and
31 signing your own name as agent in the following manner:

32 _____ (principal's name) by

33 _____ (your signature) as Agent

34 Unless the Special Instructions in this power of attorney
35 state otherwise, you must also do all of the following:

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1 Act loyally for the principal's benefit.
2 Avoid conflicts that would impair your ability to act in the
3 principal's best interest.
4 Act with care, competence, and diligence.
5 Keep a record of all receipts, disbursements, and
6 transactions made on behalf of the principal.
7 Cooperate with any person that has authority to make
8 health care decisions for the principal to do what you know
9 the principal reasonably expects or, if you do not know the
10 principal's expectations, to act in the principal's best
11 interest.

12 Attempt to preserve the principal's estate plan if you
13 know the plan and preserving the plan is consistent with the
14 principal's best interest.

15 TERMINATION OF AGENT'S AUTHORITY

16 You must stop acting on behalf of the principal if you learn
17 of any event that terminates this power of attorney or your
18 authority under this power of attorney. Events that terminate
19 a power of attorney or your authority to act under a power of
20 attorney include any of the following:

21 Death of the principal.

22 The principal's revocation of the power of attorney or your
23 authority.

24 The occurrence of a termination event stated in the power of
25 attorney.

26 The purpose of the power of attorney is fully accomplished.

27 If you are married to the principal, a legal action is
28 filed with a court to end your marriage, or for your legal
29 separation, unless the Special Instructions in this power of
30 attorney state that such an action will not terminate your
31 authority.

32 LIABILITY OF AGENT

33 The meaning of the authority granted to you is defined in the
34 Iowa Uniform Power of Attorney Act, Iowa Code chapter 633B. If
35 you violate the Iowa Uniform Power of Attorney Act, Iowa Code

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1 chapter 633B, or act outside the authority granted, you may be
2 liable for any damages caused by your violation.

3 If there is anything about this document or your duties that
4 you do not understand, you should seek legal advice.

5 Sec. 44. NEW SECTION. 633B.302 Agent's certification —
6 optional form.

7 The following optional form may be used by an agent to
8 certify facts concerning a power of attorney:

9 IOWA STATUTORY POWER OF ATTORNEY AGENT'S CERTIFICATION FORM
10 AGENT'S CERTIFICATION OF VALIDITY OF POWER OF ATTORNEY AND
11 AGENT'S AUTHORITY

12 State of _____

13 County of _____

14 I, _____ (name of agent), certify
15 under penalty of perjury that _____
16 (name of principal) granted me authority as an agent
17 or successor agent in a power of attorney dated
18 _____.

19 I further certify all of the following to my knowledge:

20 The principal is alive and has not revoked the power of
21 attorney or the Power of Attorney and my authority to act under
22 the Power of Attorney have not terminated.

23 If the power of attorney was drafted to become effective
24 upon the happening of an event or contingency, the event or
25 contingency has occurred.

26 If I was named as a successor agent, the prior agent is no
27 longer able or willing to serve.

28 _____
29 _____
30 _____.

31 (Insert other relevant statements)

32 SIGNATURE AND ACKNOWLEDGMENT

33 _____

34 Agent's Signature

Date

35 _____

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1 Agent's Name Printed
2 _____
3 _____
4 Agent's Address
5 _____
6 Agent's Telephone Number
7 This document was acknowledged before me on _____
8 (date), by _____ (name of agent)
9 _____ (Seal, if any)
10 Signature of Notary
11 My commission expires _____
12 This document prepared by
13 _____
14 _____
15 Sec. 45. NEW SECTION. 633B.401 Uniformity of application
16 and construction.
17 In applying and construing this chapter, consideration shall
18 be given to the need to promote uniformity of the law with
19 respect to the subject matter of this chapter among states that
20 enact the uniform power of attorney Act.
21 Sec. 46. NEW SECTION. 633B.402 Relation to Electronic
22 Signatures in Global and National Commerce Act.
23 This chapter modifies, limits, and supersedes the federal
24 Electronic Signatures in Global and National Commerce Act, 15
25 U.S.C. §7001 et seq., but does not modify, limit, or supersede
26 section 101(c) of that Act, 15 U.S.C. §7001(c), or authorize
27 electronic delivery of any of the notices described in section
28 103(b) of that Act, 15 U.S.C. §7003(b).
29 Sec. 47. NEW SECTION. 633B.403 Effect on existing powers
30 of attorney.
31 1. This chapter applies to a power of attorney, regardless
32 of whether the power of attorney was created before, on, or
33 after July 1, 2014.
34 2. This chapter applies to all proceedings concerning a
35 power of attorney commenced on or after July 1, 2014.



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1 3. This chapter applies to all proceedings concerning a
2 power of attorney commenced before July 1, 2014, unless the
3 court finds that application of a provision of this chapter
4 would substantially interfere with the effective conduct of the
5 proceedings or the rights of the parties or other interested
6 persons. In that case, the provision does not apply and the
7 court shall apply prior law.

8 Sec. 48. REPEAL. Sections 633B.1 and 633B.2, Code 2014,
9 are repealed.

10	EXPLANATION
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11 The inclusion of this explanation does not constitute agreement with
12 the explanation's substance by the members of the general assembly.

13 This bill creates the Iowa uniform power of attorney Act and
14 provides penalties and includes applicability provisions.

15 Current Code chapter 633B relating to powers of attorney
16 contains provisions relating to situations in which a power
17 of attorney is not affected by the death or disability of the
18 principal and provides notice provisions for the revocation or
19 termination of a power of attorney.

20 The bill repeals current Code chapter 633B and replaces
21 it with the Iowa uniform power of attorney Act, based on
22 the uniform power of attorney Act, which provides specific
23 provisions relating to the creation, duties, responsibilities,
24 and powers of an agent designated in the power of attorney
25 document to manage the principal's finances and property. The
26 bill also provides remedies for abuses committed by an agent
27 under a power of attorney. The bill defines "agent" to mean a
28 person who is granted authority to act for a principal under a
29 power of attorney, whether referred to as an agent, attorney
30 in fact, or otherwise in the power of attorney document, and
31 includes an original agent, coagent, successor agent, and a
32 person to which an agent's authority is delegated; "person"
33 means an individual, corporation, business trust, estate,
34 trust, partnership, limited liability company, association,
35 joint venture, public corporation, government or governmental

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1 subdivision, agency, or instrumentality, or any other legal
2 or commercial entity; and "principal" means an individual who
3 grants authority to an agent in a power of attorney.

4 GENERAL PROVISIONS. The bill contains the following general
5 provisions relating to a power of attorney:

6 APPLICABILITY. The bill applies to all powers of attorney
7 other than a durable power of attorney for health care (see
8 Code chapter 144B), a voting proxy, a power created on a
9 governmental form for a governmental purpose, and a power
10 coupled with an interest of the agent such as a creditor's
11 right to protect title in pledged collateral.

12 DURABILITY. A power of attorney is durable unless the power
13 of attorney expressly provides that it is terminated by the
14 principal's incapacity.

15 EXECUTION. A power of attorney must be signed by the
16 principal or in the principal's conscious presence by
17 another individual (not the prospective agent) directed by
18 the principal to sign the principal's name on the power of
19 attorney. A power of attorney must be acknowledged before a
20 notary public or other individual authorized by law to take
21 acknowledgments. An agent named in the power of attorney
22 cannot notarize the principal's signature. An acknowledged
23 signature on a power of attorney is presumed to be genuine.

24 VALIDITY. A power of attorney is governed by the law of the
25 jurisdiction indicated in the power of attorney when properly
26 executed. The bill does not affect the validity of the
27 following powers of attorney properly executed in Iowa prior to
28 July 1, 2014: a power of attorney properly executed in Iowa, a
29 power of attorney properly created under the laws of another
30 jurisdiction, and a military power of attorney. The bill also
31 allows the use of a photocopy or electronically transmitted
32 original.

33 MEANING AND EFFECT. The meaning and effect of a power of
34 attorney is determined by the law of the jurisdiction indicated
35 in the power of attorney and if there is no such indication,

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1 by the law of the jurisdiction where the power of attorney was
2 executed.

3 CONSERVATOR AND GUARDIAN APPOINTMENTS IN A POWER OF
4 ATTORNEY. A principal can appoint a conservator or guardian in
5 the power of attorney and specify that an agent's authority to
6 act under the power of attorney is suspended during the time a
7 conservator is acting unless provided otherwise in the power of
8 attorney or by the court appointing the conservator. The bill
9 also allows for the appointment of a conservator or guardian on
10 a standby basis pursuant to Code sections 633.560 and 633.591.

11 WHEN EFFECTIVE. The bill provides specific rules as when
12 a power of attorney is effective and provides that unless
13 otherwise provided, the power of attorney is effective when
14 executed.

15 TERMINATION. A power of attorney terminates upon the
16 death or incapacity (if not durable) of the principal, upon
17 revocation by the principal, when the power of attorney
18 specifies a termination date, when the purpose of the power
19 of attorney is accomplished, or if the agent dies, becomes
20 incapacitated, or resigns without a named successor. A general
21 or plenary power of attorney (authorizing the agent to conduct
22 all of the principal's personal business and financial affairs)
23 revokes a general or plenary power of attorney previously
24 executed in Iowa but does not revoke a power of attorney
25 limited to a specific purpose if that purpose is still capable
26 of being fully accomplished by the agent.

27 COAGENTS AND SUCCESSOR AGENTS. A principal may designate
28 two or more persons to act as coagents and specifies certain
29 standards for the actions of coagents. A principal may
30 designate one or more successor agents to act if an agent
31 resigns, dies, becomes incapacitated, is not qualified to
32 serve, or declines to serve.

33 REIMBURSEMENT AND COMPENSATION. Unless provided otherwise
34 in the power of attorney, an agent who is an individual is
35 entitled to reimbursement for expenses incurred on behalf of

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1 the principal, but not to compensation. An agent that is a
2 bank or trust company authorized to administer trusts in Iowa
3 may receive compensation if reasonable under the circumstances.

4 AGENT'S ACCEPTANCE. Unless otherwise provided in the
5 power of attorney, a person accepts appointment as an agent
6 by exercising authority, performing duties, or by any other
7 assertion or conduct indicating acceptance.

8 AGENT'S DUTIES. The bill specifies the fiduciary duties
9 an agent owes a principal under a power of attorney and
10 provides that an agent that acts in good faith and with care,
11 competence, and diligence in the best interest of the principal
12 shall not be liable for the agent's actions in certain
13 situations.

14 EXONERATION OF AGENT. The bill provides that a provision
15 in a power of attorney that relieves an agent of liability for
16 breach of duty is binding on the principal except for breaches
17 committed dishonestly, with an improper motive, or with
18 reckless indifference to the purposes of the power of attorney
19 or the best interest of the principal or if the provision was
20 put into the power of attorney as a result of an abuse of a
21 confidential or fiduciary relationship with the principal.

22 JUDICIAL RELIEF. The bill provides that certain persons may
23 petition a court to construe a power of attorney or review an
24 agent's conduct and the costs of the court action shall be paid
25 by the principal and the principal's estate unless, for good
26 cause shown, the costs may be assessed against the petitioner
27 or the agent.

28 AGENT'S LIABILITY. An agent that violates the Code chapter
29 is liable to the principal or the principal's successors in
30 interest for the amount required to restore the value of
31 the principal's property to what it would have been had the
32 violation not occurred and to reimburse the principal or the
33 principal's successors in interest for the attorney fees and
34 costs paid on the agent's behalf.

35 AGENT RESIGNATION. Unless otherwise provided in the

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1 power of attorney, an agent may resign by giving notice to
2 the principal and if the principal is incapacitated, to a
3 conservator or guardian, principal's caregiver or other person
4 with sufficient interest in the welfare of the principal, or to
5 the appropriate governmental agency.

6 ACCEPTANCE AND RELIANCE UPON ACKNOWLEDGED POWER OF ATTORNEY.
7 The bill protects persons who in good faith accept and rely on
8 an acknowledged power of attorney.

9 LIABILITY FOR REFUSAL TO ACCEPT ACKNOWLEDGED POWER OF
10 ATTORNEY. The bill specifies situations where refusals of a
11 power of attorney are acceptable and unacceptable. A person
12 that refuses to accept an acknowledged power of attorney in
13 violation of the bill is subject to a court order mandating
14 acceptance of the power of attorney and is liable for damages
15 sustained by the principal and reasonable attorney fees and
16 costs. Such an action must be brought within one year of the
17 initial request for acceptance of the power of attorney.

18 OTHER PROVISIONS. The bill includes provisions relating to
19 the application of principles of law and equity and the laws of
20 financial institutions, and remedies under other law.

21 AUTHORITY PROVISIONS. The bill distinguishes between grants
22 of specific authority requiring express language in a power of
23 attorney and grants of general authority.

24 SPECIFIC GRANT OF AUTHORITY. Specific grants of authority
25 require specific language granting certain powers to the agent
26 including powers to create, amend, revoke, or terminate an
27 inter vivos trust; make a gift; create or change rights of
28 survivorship; create or change a beneficiary designation;
29 delegate authority granted under the power of attorney;
30 waive the principal's right to be a beneficiary of a joint
31 and survivor annuity, including a survivor benefit under a
32 retirement plan; exercise fiduciary powers that the principal
33 has the authority to delegate; and disclaim property, including
34 a power of appointment.

35 GENERAL GRANT OF AUTHORITY. If a power of attorney grants an

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1 agent authority to do all acts that a principal could do, the
2 agent has general authority to act on behalf of the principal
3 with respect to the following subject areas: real property;
4 tangible personal property; stocks and bonds; commodities and
5 options; banks and other financial institutions; the operation
6 of an entity or business; insurance and annuities; estates,
7 trusts, and other beneficial interests; claims and litigation;
8 personal and family maintenance; benefits from governmental
9 programs or civil or military service; retirement plans; taxes;
10 and gifts. The bill contains specific provisions relating to
11 the authority granted to an agent in each of the abovementioned
12 subject areas.

13 CONSTRUCTION OF AUTHORITY. The bill specifies incidental
14 types of authority that accompany all authority (specific and
15 general) granted to an agent under a power of attorney, unless
16 modified in the power of attorney. Such authority includes the
17 power to demand, receive, and obtain other items of value to
18 which a principal is or may be entitled; contract on behalf
19 of a principal; execute, acknowledge, seal, deliver, file,
20 or record any instrument or communication necessary for a
21 transaction; initiate, participate in, submit to alternative
22 dispute resolution, and settle or accept a claim involving
23 the principal or intervene in litigation involving the claim;
24 seek court or other assistance to carry out an act authorized
25 under the power of attorney; engage, compensate, and discharge
26 certain professional advisors; prepare, execute, and file
27 certain documents to safeguard the principal's interests;
28 communicate with government agencies; and access certain
29 communications including electronic communications intended for
30 the principal.

31 STATUTORY FORMS. The bill includes suggested statutory
32 forms for the creation of a power of attorney and for agent
33 certification of facts relating to a power of attorney
34 consistent with the provisions of the Code chapter.

35 MISCELLANEOUS PROVISIONS. The bill provides provisions



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1 relating to uniform application and construction, the
2 applicability of the federal Electronic Signatures in Global
3 and National Commerce Act, and the effect of the bill on
4 existing powers of attorney.
5 REPEAL. The bill repeals current Code chapter 633B and makes
6 conforming Code changes.



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Senate File 2169 - Introduced

SENATE FILE 2169
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 3143)

A BILL FOR

1 An Act relating to wills including witness testimony,
2 distribution of property, and claims of personal
3 representatives, and including retroactive and other
4 applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 633.295, Code 2014, is amended to read
2 as follows:

3 **633.295 Testimony of witnesses.**

4 The proof may be made by the oral or written testimony of
5 one or more of the subscribing witnesses to the will. If such
6 testimony is in writing, it shall be substantially in the
7 following form executed and sworn to before or after the death
8 of the decedent:

9 In the District Court of Iowa

10 In and for County

11 In the Matter of the Estate of

12, Deceased

13 Probate No.

14 Testimony of Subscribing

15 Witness on Probate of Will.

16 State of)

17 County) ss

18 I,, being first duly sworn, state:

19 I reside in the County of, State of; I knew
20 the identity of the testator on the day of (month),
21 ... (year), the date of the instrument, the original or exact
22 reproduction of which is attached hereto, now shown to me,
23 and purporting to be the last will and testament of the said
24 ~~....., deceased~~; I am one of the subscribing witnesses
25 to said instrument; at the said date of said instrument, I
26 knew the identity of, the other subscribing witness;
27 that said instrument was exhibited to me and to the other
28 subscribing witness by the testator, who declared the same to
29 be the testator's last will and testament, and was signed by
30 the testator at, in the County of, State of
31, on the date shown in said instrument, in the presence
32 of myself and the other subscribing witness; and the other
33 subscribing witness and I then and there, at the request of the
34 testator, in the presence of said testator and in the presence
35 of each other, subscribed our names thereto as witnesses.

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1

2 Name of witness

3

4 Address

5 Subscribed and sworn to before me this ... day of

6 (month), ... (year)

7

.....

8

Notary Public in and for

9 (Stamp)

the State of

10 Sec. 2. Section 633.356, Code 2014, is amended to read as
11 follows:

12 **633.356 Distribution of property by affidavit.**

13 1. When the gross value of the decedent's personal property
14 that would otherwise be distributed by will or intestate
15 succession ~~does not exceed~~ is or has been, at any time since
16 the decedent's death, twenty-five thousand dollars or less
17 and there is no real property or the real property passes to
18 persons exempt from inheritance tax ~~pursuant to section 450.9~~
19 as joint tenants with ~~right~~ full rights of survivorship, and if
20 forty days have elapsed since the death of the decedent, ~~the a~~
21 successor ~~of the decedent~~ as defined in subsection 2 may, by
22 ~~filing~~ furnishing an affidavit prepared pursuant to subsection
23 3 or 8, and without procuring letters of appointment, do any of
24 the following with respect to one or more ~~particular~~ items of
25 such personal property:

26 a. Receive any ~~particular~~ item of tangible personal property
27 of the decedent.

28 b. Have any evidence of a debt, obligation, interest,
29 right, security, or chose in action belonging to the decedent
30 transferred.

31 c. Collect the proceeds from any life insurance policy or
32 any other item of property for which a beneficiary has not been
33 designated.

34 2. ~~"Successor of the decedent"~~ means:

35 a. If the decedent died testate, the reasonably

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1 ascertainable beneficiary or beneficiaries who succeeded to
2 the ~~particular~~ item of property ~~of the decedent~~ under the
3 decedent's will. For the purposes of this subsection the
4 trustee of a trust created during the decedent's lifetime is a
5 beneficiary under the decedent's will if the trust succeeds to
6 the ~~particular item of~~ property under the decedent's will.

7 **b.** If the decedent died intestate, the reasonably
8 ascertainable person or persons who succeeded to the ~~particular~~
9 ~~item of~~ property ~~of the decedent~~ under the laws of intestate
10 succession of this state.

11 **c.** If the decedent received medical assistance benefits from
12 the state, the Iowa Medicaid agency that provided the benefits
13 is a successor pursuant to subsection 8.

14 3. **a.** To collect money, receive tangible personal
15 property, or have evidences of intangible personal property
16 transferred under this ~~chapter~~ section, the a successor ~~of~~
17 ~~the decedent~~ shall furnish to the holder of the decedent's
18 property an affidavit under penalty of perjury stating all of
19 the following:

20 (1) The decedent's name, social security number, and ~~the~~
21 date and place of ~~the decedent's~~ death.

22 (2) That at least forty days have elapsed since the death
23 of the decedent, as shown by an attached certified copy of the
24 death certificate of the decedent.

25 (3) That the gross value of the decedent's personal property
26 that would otherwise be distributed by will or intestate
27 succession ~~does not exceed~~ is, or has been at any time since
28 the decedent's death, twenty-five thousand dollars or less
29 and there is no real property or the real property passes to
30 persons exempt from inheritance tax ~~pursuant to section 450.9~~
31 as joint tenants with ~~right~~ full rights of survivorship.

32 (4) A general description of the property of the decedent
33 that is to be paid, transferred, or delivered to or for the
34 benefit of each successor.

35 (5) The name, address, and ~~social security tax~~

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1 identification number of the successor of the decedent to the
2 described property and relationship to the decedent of each
3 successor, and whether the any successor is under a legal
4 disability.

5 (6) If applicable pursuant to subsection 2, paragraph `a`,
6 that the attached copy of the decedent's will is the last will
7 of the decedent and has been ~~admitted to probate or otherwise~~
8 ~~filed in~~ delivered to the office of a clerk of the district
9 court in accordance with Iowa law.

10 (7) That no persons other than ~~those~~ the successors listed
11 in the affidavit have a right to the interest of the decedent
12 in the described property.

13 (8) That the affiant requests that the described property
14 be paid, delivered, or transferred to ~~the successors of the~~
15 ~~decedent to the described property~~ or for the benefit of each
16 successor.

17 (9) That the affiant affirms under penalty of perjury that
18 the affidavit is true and correct.

19 ~~b. More than one person~~ If there are two or more successors,
20 any of the successors may execute an affidavit under this
21 subsection.

22 4. a. If the decedent had evidence of ownership of the
23 property described in the affidavit and the holder of the
24 property would have the right to require presentation of the
25 evidence of ownership before the duty of the holder to pay,
26 deliver, or transfer the property to the decedent would have
27 arisen, the evidence of the ownership, if available, shall be
28 presented with the affidavit to the holder of the decedent's
29 property.

30 b. If the evidence of ownership is not presented to the
31 holder of the property, the holder may require, as a condition
32 for the payment, delivery, or transfer of the property, that
33 the ~~successor~~ affiant provide the holder with a bond in a
34 reasonable amount determined by the holder to be sufficient to
35 indemnify the holder against all liability, claims, demands,

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1 loss, damages, costs, and expenses that the holder may incur
2 or suffer by reason of the payment, delivery, or transfer of
3 the property. This subsection does not preclude the holder
4 and the ~~successor~~ affiant from dispensing with the requirement
5 that a bond be provided, and instead entering into an agreement
6 satisfactory to the holder concerning the duty of the ~~successor~~
7 affiant to indemnify the holder.

8 c. Judgments rendered by any court in this state and
9 mortgages belonging to a decedent whose personal property is
10 being distributed pursuant to this section may, without prior
11 order of court, be released, discharged, or assigned, in whole
12 or in part, as to any ~~particular~~ property, and deeds may be
13 executed in performance of real estate contracts entered into
14 by the decedent, where an affidavit made pursuant to subsection
15 3 or 8 is filed in the office of the county recorder of the
16 county wherein any judgment, mortgage, or real estate contract
17 appears of record.

18 5. Reasonable proof of the identity of each successor ~~of the~~
19 ~~decedent~~ seeking distribution by virtue of the affidavit shall
20 be provided to the satisfaction of the holder of the decedent's
21 property.

22 6. a. If the requirements of this section are satisfied:

23 (1) The property described in the affidavit shall be paid,
24 delivered, or transferred to ~~the~~ or for the benefit of each
25 ~~successor of the decedent's interest in the property.~~

26 (2) A transfer agent of a security described in the
27 affidavit shall change registered ownership on the books of
28 the corporation from the decedent to ~~the person listed on the~~
29 ~~affidavit as the~~ or for the benefit of each successor ~~of the~~
30 ~~decedent's interest.~~

31 (3) The holder of the property may return the attached
32 certified copy of the decedent's death certificate to the
33 affiant.

34 b. If the holder of the decedent's property refuses to
35 pay, deliver, or transfer any property or evidence thereof to



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1 or for the benefit of the successor ~~of the decedent~~ within a
2 reasonable time, ~~the~~ a successor may recover the property or
3 compel its payment, delivery, or transfer in an action brought
4 for that purpose against the holder of the property. If an
5 action is brought against the holder under this subsection,
6 the court shall award ~~attorney's~~ attorney fees to the person
7 bringing the action if the court finds that the holder of the
8 decedent's property acted unreasonably in refusing to pay,
9 deliver, or transfer the property to or for the person benefit
10 of the successor as required by this subsection.

11 7. a. If the requirements of this section are satisfied,
12 receipt by the holder of the decedent's property of the
13 affidavit under subsection 3 or 8 constitutes sufficient
14 acquittance for the payment of money, delivery of property, or
15 transferring the registered ownership of property pursuant to
16 this ~~chapter~~ section and discharges the holder from any further
17 liability with respect to the money or property. The holder
18 may rely in good faith on the statements in the affidavit and
19 has no duty to inquire into the truth of any statement in the
20 affidavit.

21 b. If the requirements of this section are satisfied, the
22 holder is not liable for any debt owed by the decedent by
23 reason of paying money, delivering property, or transferring
24 registered ownership of property pursuant to this ~~chapter~~
25 section. If an action is brought against the holder under this
26 section, the court shall award attorney fees to the holder if
27 the court finds that the holder acted reasonably in paying,
28 delivering, or transferring the property as required by this
29 section.

30 ~~8. a. When a deceased distributee is entitled to money~~
31 ~~or property claimed in an affidavit presented under this~~
32 ~~section with respect to a deceased person whose estate is~~
33 ~~being administered in this state, the personal representative~~
34 ~~of the person whose estate is being administered shall~~
35 ~~present the affidavit to the court in which the estate is~~

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1 ~~being administered. The court shall direct the personal~~
2 ~~representative to pay the money or deliver the property to the~~
3 ~~person identified by the affidavit as the successor of the~~
4 ~~deceased distributee to the extent that the court determines~~
5 ~~that the deceased distributee was entitled to the money or~~
6 ~~property under the will or the laws of intestate succession.~~
7 If an affidavit, executed under this section for a deceased
8 distributee of an estate being administered in this state, is
9 filed with the clerk of the district court in which the estate
10 is being administered, the court shall direct the personal
11 representative to pay the money or deliver the property to
12 or for the benefit of each successor to the extent the court
13 determines that the deceased distributee would have been
14 entitled to money or property of the estate.
15 b. When the department of human services is entitled to
16 money or property of a decedent pursuant to section 249A.53,
17 subsection 2, and no affidavit has been presented by a
18 ~~successor of the decedent~~ as defined in subsection 2, paragraph
19 "a" or "b", within ninety days of the date of the decedent's
20 death, the funds in the account or other property, up to the
21 amount of the claim of the department, shall be paid to the
22 department upon presentation by the department or an entity
23 designated by the department of an affidavit to the holder
24 of the decedent's property. Such affidavit shall include
25 the information specified in subsection 3, except that the
26 department may submit proof of payment of funeral expenses as
27 verification of the decedent's death instead of a certified
28 copy of the decedent's death certificate. The amount of the
29 department's claim shall also be included in the affidavit,
30 which shall entitle the department to receive the funds as
31 ~~a successor of the decedent.~~ The department shall issue a
32 refund within sixty days to any claimant with a superior
33 priority pursuant to section 633.425, if notice of such claim
34 is given to the department, or to the entity designated by
35 the department to receive notice, within one year of the

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1 department's receipt of funds. This paragraph shall apply to
2 funds or property of the decedent transferred to the custody
3 of the treasurer of state as unclaimed property pursuant to
4 chapter 556.

5 9. The procedure provided by this section may be used only
6 if no administration of the decedent's estate is pending.

7 10. Upon receipt of an affidavit under subsection 3 and
8 reasonable proof under subsection 5 of the identity of each
9 successor seeking distribution by virtue of the affidavit, the
10 holder of the property shall disclose to the affiant whether
11 the value of the property held by the holder is, or has been
12 at any time since the decedent's death, twenty-five thousand
13 dollars or less. An affidavit furnished for the purpose of
14 determining whether the value of the property is, or has been
15 at any time since the decedent's death, twenty-five thousand
16 dollars or less need not contain the language required under
17 subsection 3, paragraph "a", subparagraph (3), but shall state
18 that the affiant reasonably believes that the gross value
19 of the decedent's personal property that would otherwise be
20 distributed by will or intestate succession is, or has been
21 at any time since the decedent's death, twenty-five thousand
22 dollars or less and there is no real property or the real
23 property passes to persons exempt from inheritance tax as joint
24 tenants with full rights of survivorship.

25 Sec. 3. Section 633.432, Code 2014, is amended to read as
26 follows:

27 **633.432 Allowance or disallowance of claim of personal**
28 **representative.**

29 1. The A temporary administrator appointed pursuant to
30 section 633.431 shall, after upon investigation, file a report
31 with the court recommending the allowance or disallowance
32 of such a claim filed pursuant to section 633.431. The
33 recommendation may, but need not, include information on the
34 substantive merits of allowing or disallowing the claim.
35 The recommendation shall include a statement that, upon

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1 investigation, a legitimate dispute either does or does not
2 exist as to such a claim.

3 2. Unless the court allows the claim, ~~it~~ the claim shall
4 ~~then~~ be disposed of as a contested claim in accordance with the
5 provisions of sections 633.439 to 633.448.

6 Sec. 4. 2013 Iowa Acts, chapter 33, section 9, is amended
7 to read as follows:

8 SEC. 9. APPLICABILITY.

9 1. The sections of this Act amending sections 633.273A, and
10 633.279, ~~and 633.295~~ apply to estates of decedents dying on or
11 after July 1, 2013.

12 1A. The section of this Act amending section 633.295 applies
13 to wills executed on or after July 1, 2013.

14 2. The sections of this Act amending sections 633.290 and
15 635.1 apply to petitions filed on or after July 1, 2013.

16 3. The section of this Act amending section 633.575 applies
17 to all judicial proceedings held on or after July 1, 2013, in
18 which an order for the appointment of a conservatorship is
19 sought or has been issued.

20 4. The section of this Act amending section 633A.4504
21 applies retroactively to all reports and accountings provided
22 by a trustee, unless an exception applies, to one year from
23 July 1, 2000.

24 Sec. 5. APPLICABILITY. The section of this Act amending
25 section 633.295 applies to wills executed on or after July 1,
26 2014.

27 Sec. 6. RETROACTIVE APPLICABILITY. The section of this Act
28 amending 2013 Iowa Acts, chapter 33, section 9, is applicable
29 retroactively to July 1, 2013.

30 EXPLANATION

31 The inclusion of this explanation does not constitute agreement with
32 the explanation's substance by the members of the general assembly.

33 This bill relates to wills including witness testimony,
34 distribution of property, and claims of personal
35 representatives, and includes applicability provisions.

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rh/rj

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1 PROBATE OF WILLS — TESTIMONY OF WITNESSES TO WILL
2 EXECUTION. The bill amends Code section 633.295 (affidavit
3 form for written testimony by witnesses to a will) to allow
4 execution of a self-proving will affidavit before or after the
5 decedent's death and not just after the decedent's death. This
6 amendment applies to wills executed on or after July 1, 2014.
7 The bill also amends an applicability provision in 2013
8 Iowa Acts, chapter 33, §9 (HF 591) to this same Code section
9 providing that witnesses to a will need only know the identity
10 of the testator and other witnesses. This amendment also
11 applies retroactively to wills executed on or after July 1,
12 2013, and not to estates of decedents dying on or after July 1,
13 2013.
14 TITLE AND POSSESSION OF DECEDENT'S PROPERTY — DISTRIBUTION
15 OF PROPERTY BY AFFIDAVIT. The bill amends Code section 633.356
16 relating to the distribution of property by affidavit where
17 the gross value of a decedent's personal property that would
18 otherwise be distributed by will or intestate succession is
19 \$25,000 or less and there is no real property or the property
20 passes to persons exempt from inheritance tax as joint tenants
21 with right of survivorship. In this situation currently, a
22 successor of the decedent may, by filing an affidavit, receive
23 any particular item of tangible personal property of the
24 decedent, have any evidence of a debt, obligation, interest,
25 right, security, or chose in action belonging to the decedent
26 transferred, and collect the proceeds from any life insurance
27 policy or any other item of property for which a beneficiary
28 has not been designated.
29 The amendments to this section specify this Code section
30 is applicable when the gross value of the decedent's personal
31 property is, or has been at any time since the decedent's
32 death, \$25,000 or less and there is no personal property or
33 the property passes to persons exempt from inheritance tax
34 as joint tenants with full rights of survivorship; define a
35 successor to include a reasonably ascertainable beneficiary

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1 if decedent died testate (with a will), or a reasonably
2 ascertainable person if decedent died intestate (without
3 a will), or an Iowa Medicaid agency that provided medical
4 assistance benefits to the decedent; amend certain requirements
5 relating to information contained in the affidavit to include
6 all of the following: a general rather than a particular
7 description of the decedent's property, a successor's tax
8 identification number rather than social security number, and
9 the relationship of each successor to the decedent, that a
10 copy of the decedent's will if applicable has been delivered
11 to the clerk of the district court, that the affiant (person
12 making and signing the affidavit) has requested that the
13 appropriate property be paid, delivered, or transferred to or
14 for the benefit of each successor; that when there are two or
15 more successors only one of the successors is required to sign
16 the affidavit; that the holder of the property (person having
17 possession, custody, or control of another's property) may
18 return a certified copy of the decedent's death certificate
19 to the affiant; that attorney fees may be awarded to a holder
20 if the court finds the holder acted reasonably in paying,
21 delivering, or transferring the requisite property; that when
22 an affidavit is filed with the clerk of the district court in
23 which the estate is being administered, the court shall direct
24 the personal representative to pay the money or deliver the
25 property to or for the benefit of each successor to the extent
26 the court determines that the deceased distributee would have
27 been entitled to money or property of the estate; and that
28 an affidavit can be used to ascertain whether the value of a
29 decedent's property exceeds the statutory \$25,000 limit.

30 CLASSIFICATION, ALLOWANCE, AND PAYMENT OF DEBTS AND
31 CHARGES — TEMPORARY ADMINISTRATOR REPORT. The bill
32 amends Code section 633.432 relating to the allowance or
33 disallowance of a personal representative's claim (where
34 the personal representative is a creditor of the decedent)
35 against a decedent's estate and the contents of a temporary

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1 administrator's report to the court. The bill allows a
2 temporary administrator to limit the administrator's report
3 to a recommendation allowing or disallowing the claim by a
4 statement that, upon investigation, a legitimate dispute either
5 does or does not exist as to such a claim.



Iowa General Assembly
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Senate File 2170 - Introduced

SENATE FILE 2170
BY HART

A BILL FOR

1 An Act related to customers with delinquent accounts for the
2 provision of wastewater, sewer system, storm water drainage
3 system, or sewage treatment services by a city utility or
4 city enterprise.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5646SS (4) 85
aw/sc



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S.F. 2170

1 Section 1. Section 384.84, Code 2014, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 5A. The governing body of a city utility
4 or city enterprise providing wastewater, sewer system, storm
5 water drainage, or sewage treatment services may file suit
6 in the district court in that county against a customer if
7 the customer's account for such services becomes delinquent
8 pursuant to subsection 3. The governing body may recover the
9 costs for providing such services to the customer's property or
10 premises and reasonable attorney fees actually incurred.

11 Sec. 2. Section 476.20, subsection 1, Code 2014, is amended
12 to read as follows:

13 1. a. A utility shall not, except in cases of emergency,
14 discontinue, reduce, or impair service to a community, or
15 a part of a community, except for nonpayment of account or
16 violation of rules and regulations, unless and until permission
17 to do so is obtained from the board.

18 b. (1) A public utility described in section 476.1,
19 subsection 3, paragraph "c", may enter into an agreement with
20 the governing body of a city utility, combined city utility,
21 city enterprise, or combined city enterprise to discontinue
22 water service to a property or premises if an account owed the
23 city utility, city enterprise, or combined city utility or city
24 enterprise for wastewater service or services of sewer systems,
25 storm water drainage systems, or sewage treatment provided
26 to that customer's property or premises becomes delinquent
27 pursuant to section 384.84, subsection 3.

28 (2) A public utility that has entered into an agreement
29 under this paragraph shall not be liable for damages related
30 to the discontinuance of water service under this paragraph.
31 The customer shall be responsible for all costs associated with
32 discontinuing and reestablishing water service disconnected
33 pursuant to this paragraph.

34 EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

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1 the explanation's substance by the members of the general assembly.

2 This bill relates to delinquent city utility or city
3 enterprise accounts for wastewater, sewer system, storm water
4 drainage system, or sewage treatment services.

5 The bill allows a public utility providing water service
6 to a property or premises to enter into an agreement with
7 the governing body of a city utility, combined city utility,
8 city enterprise, or combined city enterprise to discontinue
9 water service to that property or premises if an account
10 for wastewater, sewer system, storm water drainage system,
11 or sewage treatment service for that customer's property or
12 premises becomes delinquent. The bill further states that
13 the public utility shall not be liable for damages related to
14 discontinuance of water service under these circumstances and
15 that the customer is responsible for all costs associated with
16 discontinuance and reestablishing water service.

17 The bill also provides that the governing body of a city
18 utility or city enterprise providing wastewater, sewer system,
19 storm water drainage, or sewage treatment services may file
20 suit in the district court in that county against a customer
21 if the customer's account for such services becomes delinquent
22 and may recover the costs for providing such services to the
23 customer's property or premises as well as reasonable attorney
24 fees.



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Senate File 2171 - Introduced

SENATE FILE 2171

BY GARRETT, SEGEBART, BEHN,
ANDERSON, JOHNSON, GREINER,
BERTRAND, ZAUN, and
ROZENBOOM

A BILL FOR

1 An Act relating to the employment of unauthorized aliens and
2 providing penalties.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5710XS (6) 85
je/rj



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1 Section 1. **NEW SECTION. 93.1 Definitions.**
2 As used in this chapter, unless the context otherwise
3 requires:
4 1. "*Agency*" means an agency, department, board, or
5 commission of this state or a political subdivision that issues
6 a license for purposes of operating a business in this state.
7 2. "*Economic development incentive*" means a grant, loan, or
8 performance-based incentive awarded by a government entity of
9 this state. "*Economic development incentive*" does not include a
10 tax credit or tax incentive program.
11 3. "*Employ*" means hiring or continuing to employ an
12 individual to perform services.
13 4. "*Employee*" means an individual who provides services
14 or labor for an employer in this state for wages or other
15 remuneration. "*Employee*" does not include an independent
16 contractor.
17 5. "*Employer*" means a person, as defined in chapter 4, that
18 transacts business in this state, that has a license issued
19 by an agency in this state, and that employs twenty-five or
20 more full-time employees in this state. "*Employer*" includes
21 this state, a political subdivision of this state, and a
22 self-employed individual. In the case of an independent
23 contractor, "*employer*" means the independent contractor and
24 does not mean the person or organization that uses the contract
25 labor.
26 6. "*E-verify program*" means the employment verification
27 program as jointly administered by the United States department
28 of homeland security and the United States social security
29 administration or any successor program.
30 7. "*Government entity*" means this state or a political
31 subdivision of this state that receives and uses tax revenues.
32 8. a. "*Independent contractor*" means a person that carries
33 on an independent business, that contracts to do a piece of
34 work according to the person's own means and methods and that
35 is subject to control only as to results. Whether a person is

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1 an independent contractor is determined on a case-by-case basis
2 through various factors, including whether the person does any
3 of the following:

4 (1) Supplies tools or materials.

5 (2) Makes services available to the general public.

6 (3) Works or may work for a number of clients at the same
7 time.

8 (4) Has an opportunity for profit or loss as a result of
9 labor or service provided.

10 (5) Invests in facilities for work.

11 (6) Directs the order or sequence in which the work is
12 completed.

13 (7) Determines the hours when the work is completed.

14 b. Independent contractor status includes an individual who
15 performs services and is not an employee pursuant to section
16 3508 of the Internal Revenue Code.

17 9. *"Knowingly employ an unauthorized alien"* means the
18 actions described in 8 U.S.C. §1324a, and shall be interpreted
19 consistently with 8 U.S.C. §1324a and any applicable federal
20 regulations.

21 10. *"License"* means a permit, certificate, approval,
22 registration, charter, or similar form of authorization, other
23 than a professional license, that is required by law and that
24 is issued by an agency, allowing the licensee to do business
25 in this state.

26 11. *"Unauthorized alien"* means an alien who does not have
27 the legal right or authorization under federal law to work in
28 the United States as described in 8 U.S.C. §1324a(h)(3).

29 Sec. 2. NEW SECTION. 93.2 **Knowingly employing unauthorized**
30 **aliens.**

31 1. *Knowingly employing unauthorized aliens prohibited.* An
32 employer shall not knowingly employ an unauthorized alien. If
33 an employer uses a contract, subcontract, or other independent
34 contractor agreement to obtain the labor of an alien in
35 this state, and the employer knowingly contracts with an

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1 unauthorized alien or with a person who employs or contracts
2 with an unauthorized alien to perform the labor, the employer
3 violates this subsection.

4 2. *Court action required.* An action for a violation of
5 subsection 1 shall be brought against the employer by the
6 county attorney in the district court of the county where the
7 unauthorized alien employee is or was employed by the employer.
8 The district court shall expedite the action, including
9 assigning a hearing at the earliest practicable date.

10 3. *Court order — first violation.* On a finding of a first
11 violation as described in subsection 5, the court shall require
12 by order all of the following:

13 a. The employer shall terminate the employment of all
14 unauthorized aliens.

15 b. (1) The employer shall be subject to a three-year
16 probationary period for the business location where the
17 unauthorized alien performed work.

18 (2) During the probationary period, the employer shall file
19 quarterly reports on the form prescribed in section 252G.3 with
20 the county attorney for each new employee who is hired by the
21 employer at the business location where the unauthorized alien
22 performed work.

23 c. The employer shall be required to file a signed sworn
24 affidavit with the county attorney within three business days
25 after the order is issued. The affidavit shall state that the
26 employer has terminated the employment of all unauthorized
27 aliens in this state and that the employer will not knowingly
28 employ an unauthorized alien in this state.

29 (1) The court shall order the appropriate agencies to
30 suspend all licenses that are held by the employer if the
31 employer fails to file a signed sworn affidavit with the county
32 attorney within three business days after the order is issued.
33 All licenses that are suspended shall remain suspended until
34 the employer files a signed sworn affidavit with the county
35 attorney. Upon filing of the affidavit, the suspended licenses

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1 shall be reinstated immediately by the appropriate agencies.

2 (2) Licenses that are subject to suspension under this
3 paragraph "c" are all licenses that are held by the employer
4 specific to the business location where the unauthorized alien
5 performed work. If the employer does not hold a license
6 specific to the business location where the unauthorized alien
7 performed work, but a license is necessary to operate the
8 employer's business in general, the licenses that are subject
9 to suspension under this paragraph "c" are all licenses that
10 are held by the employer at the employer's primary place of
11 business. On receipt of the court's order, the appropriate
12 agencies shall suspend the licenses according to the court's
13 order. The court shall send a copy of the court's order to the
14 secretary of state and the secretary of state shall maintain
15 the copy pursuant to subsection 6.

16 (3) The court may order the appropriate agencies to suspend
17 all licenses described in this paragraph "c" that are held by
18 the employer for not more than ten business days. The court
19 shall base its decision to suspend under this subparagraph
20 on any evidence or information submitted to it during the
21 action for a violation of subsection 1 and shall consider the
22 following factors, if relevant:

23 (a) The number of unauthorized aliens employed by the
24 employer.

25 (b) Any prior misconduct by the employer.

26 (c) The degree of harm resulting from the violation.

27 (d) Whether the employer made good faith efforts to comply
28 with any applicable requirements.

29 (e) The duration of the violation.

30 (f) The role of the directors, officers, or principals of
31 the employer in the violation.

32 (g) Any other factors the court deems appropriate.

33 4. *Court order — second violation.* For a second violation,
34 as described in subsection 5, the court shall order the
35 appropriate agencies to permanently revoke all licenses that

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1 are held by the employer specific to the business location
2 where the unauthorized alien performed work. If the employer
3 does not hold a license specific to the business location
4 where the unauthorized alien performed work, but a license
5 is necessary to operate the employer's business in general,
6 the court shall order the appropriate agencies to permanently
7 revoke all licenses that are held by the employer at the
8 employer's primary place of business. On receipt of the order,
9 the appropriate agencies shall immediately revoke the licenses.

10 5. *Violations defined.*

11 a. A violation shall be considered a first violation by
12 an employer at a business location if the violation did not
13 occur during a probationary period ordered by the court under
14 subsection 3, paragraph "b", for that employer's business
15 location.

16 b. A violation shall be considered a second violation by
17 an employer at a business location if the violation occurred
18 during a probationary period ordered by the court under
19 subsection 3, paragraph "b", for that employer's business
20 location.

21 6. *Secretary of state database.* The secretary of state
22 shall maintain copies of court orders that are received
23 pursuant to subsection 3, paragraph "c", and shall maintain a
24 database of the employers and business locations found to have
25 committed a first violation of subsection 1 and make the court
26 orders available on the secretary of state's internet site.

27 7. *Federal determination creates rebuttable presumption.* In
28 determining whether an employee is an unauthorized alien, the
29 court shall consider the federal government's determination
30 of the immigration status of the employee pursuant to 8
31 U.S.C. §1373(c). The court may take judicial notice of the
32 federal government's determination. The federal government's
33 determination that the employee is an unauthorized alien
34 creates a rebuttable presumption of the employee's unauthorized
35 status. The employer may present evidence that the employee

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1 is not an unauthorized alien.

2 8. *Good-faith compliance.* For the purposes of this section,
3 an employer that establishes that it has complied in good
4 faith with the requirements of 8 U.S.C. §1324a(b) establishes
5 a conclusive affirmative defense that the employer did not
6 knowingly employ an unauthorized alien. An employer is
7 considered to have complied with the requirements of 8 U.S.C.
8 §1324a(b), notwithstanding an isolated, sporadic, or accidental
9 technical or procedural failure to meet the requirements, if
10 there is a good-faith attempt to comply with the requirements.

11 9. *Entrapment as affirmative defense.*

12 a. It is an affirmative defense to a violation of subsection
13 1 that the employer was entrapped. To claim entrapment, the
14 employer must admit by the employer's testimony or other
15 evidence the substantial elements of the violation. An
16 employer who asserts an entrapment defense has the burden
17 of proving all of the following by a preponderance of the
18 evidence:

19 (1) The idea of committing the violation started with law
20 enforcement officers or their agents rather than with the
21 employer.

22 (2) The law enforcement officers or their agents urged and
23 induced the employer to commit the violation.

24 (3) The employer was not predisposed to commit the violation
25 before the law enforcement officers or their agents urged and
26 induced the employer to commit the violation.

27 b. An employer does not establish entrapment if the employer
28 was predisposed to violate subsection 1 and the law enforcement
29 officers or their agents merely provided the employer with an
30 opportunity to commit the violation. It is not entrapment for
31 law enforcement officers or their agents merely to use a ruse
32 or to conceal their identity. The conduct of law enforcement
33 officers and their agents may be considered in determining if
34 an employer has proven entrapment.

35 Sec. 3. NEW SECTION. 93.3 E-verify program — employer

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1 participation.

2 1. An employer, after hiring an employee, shall verify the
3 employment eligibility of the employee through the e-verify
4 program and shall keep a record of the verification for the
5 duration of the employee's employment or at least three years,
6 whichever is longer.

7 2. In addition to any other requirement for an employer to
8 receive an economic development incentive from a government
9 entity, the employer shall register with and participate
10 in the e-verify program. Before receiving the economic
11 development incentive, the employer shall provide proof to the
12 government entity that the employer is registered with and
13 is participating in the e-verify program. If the government
14 entity determines that the employer is not complying with this
15 subsection, the government entity shall notify the employer
16 by certified mail of the government entity's determination
17 of noncompliance and the employer's right to appeal the
18 determination. On a final determination of noncompliance,
19 the employer shall repay all moneys received as an economic
20 development incentive to the government entity within thirty
21 days of the final determination.

22 3. Every three months, the secretary of state shall request
23 from the United States department of homeland security a
24 list of employers from this state that are registered with
25 the e-verify program. On receipt of the list of employers,
26 the secretary of state shall make the list available on the
27 secretary of state's internet site.

28 Sec. 4. NEW SECTION. 93.4 Compliance with federal and state
29 law.

30 This chapter shall not be construed to require an employer to
31 take any action that the employer believes in good faith would
32 violate federal or state law.

33 Sec. 5. IMPLEMENTATION OF ACT. Section 25B.2, subsection
34 3, shall not apply to this Act.

35 EXPLANATION

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1 The inclusion of this explanation does not constitute agreement with
2 the explanation's substance by the members of the general assembly.

3 This bill prohibits employers from knowingly employing
4 unauthorized aliens.

5 The bill defines "employer" as a person that transacts
6 business in this state, that has a license issued by an agency
7 in this state, and that employs 25 or more full-time employees
8 in this state. "Employer" includes this state, a political
9 subdivision of this state, and a self-employed individual.
10 In the case of an independent contractor, "employer" means
11 the independent contractor and does not mean the person or
12 organization that uses the contract labor.

13 The bill requires the county attorney to bring an action
14 in district court against an employer for a violation in the
15 county where the unauthorized alien employee is or was employed
16 by the employer. The bill provides that such an action must be
17 expedited by the court.

18 The bill provides that for a first violation, the court
19 must order the employer to terminate the employment of all
20 unauthorized aliens and to submit a signed sworn affidavit
21 to that effect or face suspension of business licenses by
22 appropriate agencies. The court will also order a three-year
23 probationary period for the employer. The court may also
24 order the suspension of the employer's business licenses
25 by appropriate agencies for up to 10 business days, after
26 considering certain factors. The bill provides that for a
27 second violation, defined as a violation occurring during a
28 probationary period for a previous violation, the court must
29 order the permanent revocation of the employer's business
30 licenses. The bill directs the secretary of state to maintain
31 an online database of first-time offenders.

32 In determining the immigration status of an alleged
33 unauthorized alien employed by an employer, the bill requires
34 the district court to consider the federal government's
35 determination of the immigration status of the employee. The

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1 federal government's determination that the employee is an
2 unauthorized alien creates a rebuttable presumption of the
3 employee's unauthorized status. The employer may present
4 evidence that the employee is not an unauthorized alien.
5 The bill provides that an employer who establishes that
6 the employer complied in good faith with 8 U.S.C. §1324a(b)
7 establishes a conclusive affirmative defense that the employer
8 did not knowingly employ an unauthorized alien. The bill
9 provides that an employer is considered to have complied with
10 the requirements of 8 U.S.C. §1324a(b), notwithstanding an
11 isolated, sporadic, or accidental technical or procedural
12 failure to meet the requirements, if there is a good-faith
13 attempt to comply with the requirements. The bill provides an
14 employer with an affirmative defense of entrapment if certain
15 elements are met.

16 The bill requires an employer hiring a new employee to
17 verify the employee's employment eligibility through the
18 federal e-verify program. The bill requires the employer
19 to keep records of the verification for the duration of the
20 employee's employment or three years, whichever is longer. The
21 bill requires an employer receiving an economic development
22 incentive from a state government entity to register with the
23 federal e-verify program. The bill provides that an employer
24 who does not comply with the requirement must repay all moneys
25 received for the economic development incentive. The bill
26 provides an employer the right to appeal a determination of
27 noncompliance, and does not require repayment until a final
28 determination of noncompliance is made. The bill directs the
29 secretary of state to request from the United States department
30 of homeland security a list of employers registered with the
31 e-verify program every three months. The bill directs the
32 secretary of state to make the list available on the secretary
33 of state's internet site.

34 The bill provides that the bill shall not be construed
35 to require an employer to take any action that the employer

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1 believes in good faith would violate federal or state law.
2 The bill may include a state mandate as defined in Code
3 section 25B.3. The bill makes inapplicable Code section 25B.2,
4 subsection 3, which would relieve a political subdivision from
5 complying with a state mandate if funding for the cost of
6 the state mandate is not provided or specified. Therefore,
7 political subdivisions are required to comply with any state
8 mandate included in the bill.



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Senate File 2172 - Introduced

SENATE FILE 2172
BY CHAPMAN

A BILL FOR

1 An Act relating to providing material support to federal
2 agencies under certain circumstances, providing penalties,
3 and including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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jm/rj



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S.F. 2172

1 Section 1. NEW SECTION. 823.1 Prohibitions.

2 Notwithstanding any law, regulation, or order to the
3 contrary, an agency of this state, political subdivision
4 of this state, or employee of such an agency or political
5 subdivision acting in the employee's official capacity, or
6 corporation providing services on behalf of this state or a
7 political subdivision of this state shall not do any of the
8 following:

9 1. Provide material support for, participation with, or
10 assistance to, in any form, any federal agency which claims the
11 power, or which purports due to any federal law, regulation,
12 or order, to authorize the collection of electronic data or
13 metadata of any person pursuant to any action not based on a
14 warrant that particularly describes the person, place, or thing
15 to be searched or seized.

16 2. Utilize any assets, state funds, or funds allocated by
17 the state to local entities, in whole or in part, to engage
18 in any activity that aids a federal agency, federal agent, or
19 corporation providing services to the federal government in
20 the collection of electronic data or metadata of any person
21 pursuant to any action not based on a warrant that particularly
22 describes the person, place, or thing to be searched or seized.

23 3. Provide services, or participate or assist in any way
24 with the provision of services to a federal agency, federal
25 agent, or corporation providing services to the federal
26 government which is involved in the collection of electronic
27 data or metadata of any person pursuant to any action not based
28 on a warrant that particularly describes the person, place, or
29 thing to be searched or seized.

30 4. Use any information in a criminal investigation or
31 prosecution conducted by a federal agency, federal agent, or
32 corporation providing services to the federal government,
33 which was obtained through the collection of electronic data
34 or metadata of any person pursuant to any action not based on a
35 warrant that particularly describes the person, place, or thing

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1 to be searched or seized.

2 Sec. 2. NEW SECTION. 823.2 Penalties.

3 1. A political subdivision of this state shall not receive
4 state grant funds if the political subdivision adopts a
5 rule, order, ordinance, or policy under which the political
6 subdivision violates the prohibitions of section 823.1. State
7 grant funds for the political subdivision shall be denied for
8 the fiscal year following the year in which a final judicial
9 determination in an action brought under this section is made
10 that the political subdivision has intentionally required
11 actions which violate the prohibitions of section 823.1.

12 2. An agent or employee of this state, or of a political
13 subdivision of this state, who knowingly violates the
14 prohibitions of section 823.1, is guilty of a serious
15 misdemeanor.

16 3. A corporation or person that provides services to or on
17 behalf of this state and violates the prohibitions of section
18 823.1 shall be forever ineligible to act on behalf of, or to
19 provide services to, this state or a political subdivision of
20 this state.

21 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
22 immediate importance, takes effect upon enactment.

23 EXPLANATION

24 The inclusion of this explanation does not constitute agreement with
25 the explanation's substance by the members of the general assembly.

26 This bill relates to providing material support to federal
27 agencies under certain circumstances.

28 The bill prohibits an agency of this state, political
29 subdivision of this state, or employee of an agency or
30 political subdivision acting in the employee's official
31 capacity, or corporation providing services on behalf of this
32 state or a political subdivision of this state from doing
33 any of the following without a search warrant: providing
34 material support for, participation with, or assistance in
35 any form, to any federal agency that collects electronic

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1 data or metadata; utilizing any assets, state funds, or
2 funds allocated by the state to local entities that support
3 any activity that aids a federal agency, federal agent, or
4 corporation providing services to the federal government in the
5 collection of electronic data or metadata; providing services,
6 or participating or assisting in any way with the provision of
7 services to a federal agency, federal agent, or corporation
8 providing services to the federal government which is involved
9 in the collection of electronic data or metadata; and using
10 any information in a criminal investigation or prosecution
11 conducted by a federal agency, federal agent, or corporation
12 providing services to the federal government, which was
13 obtained through the collection of electronic data or metadata.

14 Under the bill, a political subdivision of this state is
15 prohibited from receiving state grant funds if the political
16 subdivision adopts an ordinance or policy under which the
17 political subdivision violates the bill. State grant funds for
18 the political subdivision shall be denied under the bill for
19 the fiscal year following the year in which a final judicial
20 determination in an action brought under the bill is made that
21 the political subdivision has intentionally required actions
22 which violate the prohibitions of the bill.

23 Any agent or employee of this state, or of any political
24 subdivision of this state, who knowingly violates the bill, is
25 guilty of a serious misdemeanor.

26 Any corporation or person that provides services to or on
27 behalf of this state and violates the prohibitions of the bill,
28 shall be forever ineligible to act on behalf of, or provide
29 services to, this state or any political subdivision of this
30 state.

31 The bill takes effect upon enactment.



Iowa General Assembly
Daily Bills, Amendments and Study Bills
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Senate File 2173 - Introduced

SENATE FILE 2173
BY PETERSEN

A BILL FOR

1 An Act establishing an Iowa center for suicide prevention in
2 the department of education and requiring school employee
3 training and protocols relating to suicide prevention and
4 trauma-informed care and making an appropriation.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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je/sc



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S.F. 2173

1 Section 1. Section 256.7, Code 2014, is amended by adding
2 the following new subsection:
3 NEW SUBSECTION. 33. By July 1, 2015, adopt rules to require
4 school districts to adopt protocols for suicide prevention
5 and postvention, as developed by the Iowa center for suicide
6 prevention established in section 256.34.
7 Sec. 2. NEW SECTION. 256.34 Iowa center for suicide
8 prevention.
9 1. For purposes of this section, unless the context
10 otherwise requires:
11 a. "Postvention" means the provision of crisis intervention,
12 support, and assistance for those affected by a suicide or
13 suicide attempt to prevent further risk of suicide.
14 b. "Trauma-informed care" means services that are based
15 on an understanding of the vulnerabilities and triggers of
16 individuals who have experienced trauma, recognize the role
17 trauma has played in the lives of those individuals, recognize
18 the presence of trauma symptoms and their onset, are supportive
19 of trauma recovery, and avoid further traumatization.
20 2. The Iowa center for suicide prevention is established in
21 the department to provide, in a coordinated and comprehensive
22 way, ongoing support to Iowa's schools relating to suicide
23 prevention and trauma-informed care, in the form of
24 information, resources, and evidence-based training content.
25 It shall be the goal of the center that every student,
26 regardless of where they reside in the state, have access
27 to the same high-quality suicide prevention, intervention,
28 and support resources. The department may employ personnel
29 necessary to carry out the duties of the center.
30 3. The center shall have the initial responsibility of
31 supporting schools with implementation of suicide prevention
32 programs and development of trauma-informed learning
33 environments, including but not limited to the following:
34 a. Through collaboration with suicide prevention
35 coordinators and initiatives across state departments, the

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1 center shall lead a public-private coalition of state and
2 local agencies, community groups, organizations including area
3 education agencies, and individuals with the goal of supporting
4 statewide suicide prevention, awareness, and intervention, and
5 providing necessary resources for such efforts.

6 *b.* The center shall adapt existing evidence-based suicide
7 prevention and trauma-informed care training for school
8 personnel, which training accounts for best practices and
9 up-to-date research in these fields, to be provided pursuant to
10 section 280.30. The center shall provide guidance and support
11 to schools providing such training.

12 *c.* The center shall develop evidence-based model protocols
13 to assist schools in suicide prevention and postvention, to be
14 adopted pursuant to section 256.7, subsection 33.

15 *d.* The center shall develop recommendations for
16 social-emotional learning programs and supports for schools.

17 *e.* The center shall encourage content developed by the
18 center to be included in preservice teacher training.

19 4. The long-term responsibilities of the center shall
20 include the following:

21 *a.* Coordinating a comprehensive community effort of suicide
22 prevention to identify and develop supports for students at
23 risk of suicide.

24 *b.* Adapting, reviewing, and improving evidence-based
25 training on suicide prevention and trauma-informed care on an
26 ongoing basis.

27 *c.* Identifying unmet needs in school and community
28 social-emotional learning supports.

29 *d.* Supporting efforts by schools to provide suicide
30 prevention and trauma-informed care for students.

31 *e.* Through community involvement, identifying resources
32 outside of a school setting for students identified as at risk
33 for suicide.

34 Sec. 3. NEW SECTION. 280.30 Suicide prevention and
35 trauma-informed care training.

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1 1. By July 1, 2015, the board of directors of a school
2 district shall integrate biennial, evidence-based training on
3 suicide prevention for all school personnel who hold a license,
4 certificate, authorization, or statement of recognition
5 issued by the board of educational examiners and who have
6 regular contact with students in grades six through twelve
7 into the school district's comprehensive school improvement
8 plan submitted pursuant to section 256.7, subsection 21. The
9 content of the training shall be determined by the Iowa center
10 for suicide prevention established in section 256.34.

11 2. By July 1, 2015, the board of directors of a school
12 district shall integrate biennial, evidence-based training
13 on trauma-informed care for all school personnel who hold
14 a license, certificate, authorization, or statement of
15 recognition issued by the board of educational examiners
16 and who have regular contact with students in kindergarten
17 through grade twelve into the school district's comprehensive
18 school improvement plan submitted pursuant to section 256.7,
19 subsection 21. The content of the training shall be determined
20 by the Iowa center for suicide prevention established in
21 section 256.34.

22 Sec. 4. APPROPRIATION. There is appropriated from the
23 general fund of the state to the department of education for
24 the fiscal year beginning July 1, 2014, and ending June 30,
25 2015, the following amount, or so much thereof as is necessary,
26 to be used for the purposes designated:

27 For the establishment and administration of the Iowa
28 center for suicide prevention, including salaries, support,
29 maintenance, and miscellaneous purposes:

30 \$ 500,000

EXPLANATION

32 The inclusion of this explanation does not constitute agreement with
33 the explanation's substance by the members of the general assembly.

34 This bill establishes the Iowa center for suicide prevention
35 in the department of education to provide, in a coordinated and

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1 comprehensive way, ongoing support to Iowa's schools relating
2 to suicide prevention and trauma-informed care, in the form of
3 information, resources, and evidence-based training content.
4 The goal of the center is that every student, regardless
5 of where they reside in the state, have access to the same
6 high-quality suicide prevention, intervention, and support
7 resources. The department may employ personnel necessary to
8 carry out the duties of the center.

9 The bill provides that the center has the initial
10 responsibility of supporting schools with implementation of
11 suicide prevention programs and development of trauma-informed
12 learning environments, including adaptation of existing
13 evidence-based suicide prevention and trauma-informed
14 care training for school personnel and development of
15 evidence-based model protocols to assist schools in suicide
16 prevention and postvention. The bill also provides long-term
17 responsibilities of the center, including adapting, reviewing,
18 and improving evidence-based training on suicide prevention and
19 trauma-informed care on an ongoing basis and supporting efforts
20 by schools to provide suicide prevention and trauma-informed
21 care for students.

22 The bill appropriates \$500,000 from the general fund of
23 the state to the department for fiscal year 2014-2015 for the
24 establishment and administration of the center.

25 The bill requires the board of directors of a school
26 district to integrate biennial, evidence-based training on
27 suicide prevention for all school personnel who hold a license,
28 certificate, authorization, or statement of recognition issued
29 by the board of educational examiners and who have regular
30 contact with students in grades six through 12 into the school
31 district's comprehensive school improvement plan by July 1,
32 2015. The content of the training shall be determined by the
33 center. The bill provides a similar requirement for training
34 on trauma-informed care for school personnel who have regular
35 contact with students in kindergarten through grade 12.

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1 The bill requires the department to adopt rules by July
2 1, 2015, to require school districts to adopt protocols for
3 suicide prevention and postvention as developed by the center.
4 The bill defines "trauma-informed care" as services that are
5 based on an understanding of the vulnerabilities and triggers
6 of individuals who have experienced trauma, recognize the role
7 trauma has played in the lives of those individuals, recognize
8 the presence of trauma symptoms and their onset, are supportive
9 of trauma recovery, and avoid further traumatization. The bill
10 defines "postvention" as the provision of crisis intervention,
11 support, and assistance for those affected by a suicide or
12 suicide attempt to prevent further risk of suicide.



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Senate File 2174 - Introduced

SENATE FILE 2174

BY QUIRMBACH

(COMPANION TO HF 2030 BY
HEDDENS)

A BILL FOR

1 An Act relating to the regulation of tanning facilities and
2 making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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jb/rj



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S.F. 2174

1 Section 1. NEW SECTION. 136D.3A Minors' use of tanning
2 devices prohibited.

3 A tanning facility shall not allow a person under eighteen
4 years of age to use a tanning device.

5 Sec. 2. Section 136D.4, subsection 1, paragraphs a and b,
6 Code 2014, are amended to read as follows:

7 a. A warning sign in a conspicuous location without
8 obstruction and readily visible to persons entering the
9 establishment. The signs shall comply with rules adopted by
10 the department.

11 b. A warning sign for each tanning device, in a conspicuous
12 location without obstruction and readily visible to a person
13 preparing to use the device. The sign shall comply with rules
14 adopted by the department.

15 Sec. 3. Section 136D.4, subsection 2, Code 2014, is amended
16 to read as follows:

17 2. A tanning facility shall provide each customer prior to
18 use of a tanning device with a written warning statement that
19 complies with rules adopted by the department.

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with
22 the explanation's substance by the members of the general assembly.

23 This bill relates to tanning facilities and creates new Code
24 section 136D.3A prohibiting a tanning facility from allowing
25 individuals under 18 years of age to use a tanning device. The
26 bill also provides that warning signs be free from obstruction
27 and that a written warning statement be provided to each
28 customer prior to use of a tanning device.

29 A tanning facility that violates a provision of Code chapter
30 136D is subject to a civil penalty and injunctive relief.



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Senate File 2175 - Introduced

SENATE FILE 2175
BY HART

A BILL FOR

1 An Act concerning alcoholic beverage control, by
2 allowing micro-distilled spirits manufacturers to
3 sell its micro-distilled spirits at retail for on-site
4 consumption and concerning dramshop liability insurance, and
5 establishing fees.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5370XS (4) 85
ec/rj



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S.F. 2175

1 Section 1. Section 123.28, Code 2014, is amended to read as
2 follows:

3 **123.28 Restrictions on transportation.**

4 It is lawful to transport, carry, or convey alcoholic
5 liquors from the place of purchase by the division to a state
6 warehouse or depot established by the division or from one such
7 place to another and, when so permitted by this chapter, it
8 is lawful for the division, a common carrier, or other person
9 to transport, carry, or convey alcoholic liquor sold from a
10 state warehouse, depot, or point of purchase by the state to
11 any place to which the liquor may be lawfully delivered under
12 this chapter. The division shall deliver alcoholic liquor
13 purchased by class "E" liquor control licensees. Class "E"
14 liquor control licensees may deliver alcoholic liquor purchased
15 by class "A", "B", or "C" liquor control licensees and class
16 "C" micro-distilled spirits permittees, and class "A", "B", or
17 "C" liquor control licensees may transport alcoholic liquor
18 purchased from class "E" liquor control licensees. A common
19 carrier or other person shall not break or open or allow to be
20 broken or opened a container or package containing alcoholic
21 liquor or use or drink or allow to be used or drunk any
22 alcoholic liquor while it is being transported or conveyed,
23 but this section does not prohibit a private person from
24 transporting individual bottles or containers of alcoholic
25 liquor exempted pursuant to section 123.22 and individual
26 bottles or containers bearing the identifying mark prescribed
27 in section 123.26 which have been opened previous to the
28 commencement of the transportation. This section does not
29 affect the right of a special permit or liquor control license
30 holder to purchase, possess, or transport alcoholic liquors
31 subject to this chapter.

32 Sec. 2. Section 123.32, subsection 1, Code 2014, is amended
33 to read as follows:

34 1. *Filing of application.* An application for a class "A",
35 class "B", class "C", or class "E" liquor control license, for

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1 a class "A" micro-distilled spirits permit, for a class "C"
2 micro-distilled spirits permit, for a retail beer permit as
3 provided in sections 123.128 and 123.129, or for a class "B",
4 class "B" native, or class "C" native retail wine permit as
5 provided in section 123.178, 123.178A, or 123.178B, accompanied
6 by the necessary fee and bond, if required, shall be filed with
7 the appropriate city council if the premises for which the
8 license or permit is sought are located within the corporate
9 limits of a city, or with the board of supervisors if the
10 premises for which the license or permit is sought are located
11 outside the corporate limits of a city. An application for
12 a class "D" liquor control license and for a class "A" beer
13 or class "A" wine permit, accompanied by the necessary fee
14 and bond, if required, shall be submitted to the division
15 electronically, or in a manner prescribed by the administrator,
16 which shall proceed in the same manner as in the case of an
17 application approved by local authorities.

18 Sec. 3. Section 123.33, Code 2014, is amended to read as
19 follows:

20 **123.33 Records.**

21 Every holder of a liquor control license or a class "C"
22 micro-distilled spirits permit shall keep a daily record, in
23 printed or electronic format, of the gross receipts of the
24 holder's business. The records required and the premises of
25 the licensee or permittee shall be accessible and open to
26 inspection pursuant to section 123.30, subsection 1, during
27 normal business hours of the licensee or permittee.

28 Sec. 4. Section 123.43A, subsection 2, Code 2014, is amended
29 to read as follows:

30 2. A micro-distillery shall not sell more than ~~one and~~
31 ~~one-half~~ nine liters per person per day, of micro-distilled
32 spirits on the premises of the micro-distillery. In addition,
33 a micro-distillery shall not directly ship micro-distilled
34 spirits for sale at retail. The micro-distillery shall
35 maintain records of individual purchases of micro-distilled

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1 spirits at the micro-distillery for three years.

2 Sec. 5. Section 123.43A, Code 2014, is amended by adding the
3 following new subsection:

4 NEW SUBSECTION. 4A. Notwithstanding any other provision of
5 this chapter, a person engaged in the business of manufacturing
6 micro-distilled spirits may sell its micro-distilled spirits at
7 retail for consumption on the premises of the manufacturing
8 facility by applying for a class "C" micro-distilled spirits
9 permit with the authority as provided in section 123.43B. A
10 manufacturer of micro-distilled spirits may be granted not more
11 than one class "C" micro-distilled spirits permit.

12 Sec. 6. Section 123.43A, subsection 6, Code 2014, is amended
13 to read as follows:

14 6. The division shall issue no more than three permits under
15 this section to a person. In addition, a micro-distillery
16 issued a permit under this section shall file with the
17 division, on or before the fifteenth day of each calendar
18 month, all documents filed by the micro-distillery with the
19 alcohol and tobacco tax and trade bureau of the United States
20 department of the treasury, including all production, storage,
21 and processing reports.

22 Sec. 7. Section 123.43A, subsection 7, Code 2014, is amended
23 by striking the subsection and inserting in lieu thereof the
24 following:

25 7. A micro-distillery may sell the micro-distilled spirits
26 it manufactures at wholesale to customers outside the state.

27 Sec. 8. NEW SECTION. 123.43B **Authority under class "C"**
28 **micro-distilled spirits permit.**

29 1. A person holding a class "C" micro-distilled spirits
30 permit for the same location at which the person holds a class
31 "A" micro-distilled spirits permit may sell its micro-distilled
32 spirits only at retail to patrons by the individual drink for
33 consumption on the licensed premises where it was manufactured.

34 2. A person holding a class "C" micro-distilled spirits
35 permit shall purchase micro-distilled spirits it manufactures

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1 from a class "E" liquor control licensee only.

2 3. A class "C" micro-distilled spirits permit for a
3 micro-distillery shall be issued and renewed annually upon
4 payment of a fee of two hundred fifty dollars.

5 Sec. 9. NEW SECTION. 123.43C Class "C" micro-distilled
6 spirits permit — application contents.

7 Except as otherwise provided in this chapter, a class "C"
8 micro-distilled spirits permit shall be issued to a person who
9 complies with all of the following:

10 1. Submits electronically, or in a manner prescribed by the
11 administrator, an application for the permit and states on the
12 application under oath:

13 a. The name and place of residence of the applicant and
14 the length of time the applicant has lived at the place of
15 residence.

16 b. That the applicant is a citizen of the state of Iowa,
17 or if a corporation, that the applicant is authorized to do
18 business in Iowa.

19 c. The location of the class "A" micro-distillery where the
20 applicant intends to use the permit.

21 d. The name of the owner of the premises, and if that owner
22 is not the applicant, that the applicant is the actual lessee
23 of the premises.

24 2. Establishes all of the following:

25 a. That the applicant meets the test of good moral character
26 as provided in section 123.3, subsection 34.

27 b. That the premises for which the permit is sought is and
28 will continue to be equipped with sufficient tables and seats
29 to accommodate twenty-five persons at one time, and in areas
30 where such business is permitted by any valid zoning ordinance
31 or will be so permitted on the effective date of the permit.

32 c. Consents to inspection as required in section 123.30,
33 subsection 1.

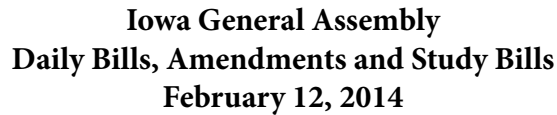
34 Sec. 10. Section 123.92, subsection 2, paragraph a, Code
35 2014, is amended to read as follows:

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1 a. Every liquor control licensee and, class "B" beer
2 permittee, class "C" native wine permittee, and class
3 "C" micro-distilled spirits permittee, except a class "E"
4 liquor control licensee, shall furnish proof of financial
5 responsibility by the existence of a liability insurance
6 policy in an amount determined by the division. If an insurer
7 provides dramshop liability insurance at a new location to
8 a licensee or permittee who has a positive loss experience
9 at other locations for which such insurance is provided by
10 the insurer, and the insurer bases premium rates at the new
11 location on the negative loss history of the previous licensee
12 or permittee at that location, the insurer shall examine and
13 consider adjusting the premium for the new location not less
14 than thirty months after the insurance is issued, based on the
15 loss experience of the licensee or permittee at that location
16 during that thirty-month period of time.

18 The inclusion of this explanation does not constitute agreement with
19 the explanation's substance by the members of the general assembly.

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1 and records (123.33), are made applicable to the new class "C"
2 micro-distilled spirits permit.

3 New Code section 123.43B establishes the authority for a
4 class "C" micro-distilled spirits permit. The Code section
5 provides that the permit shall allow the manufacturer to sell
6 its micro-distilled spirits only at retail to patrons by the
7 individual drink for consumption on the licensed premises where
8 it was manufactured, and that the person holding the permit
9 shall purchase micro-distilled spirits it manufactures from a
10 class "E" liquor control licensee only. The annual fee for the
11 permit shall be \$250.

12 New Code section 123.43C provides for the information
13 necessary for a person to apply for a class "C" micro-distilled
14 spirits permit. The bill requires the applicant to submit
15 information regarding the applicant and the location of the
16 micro-distillery. The application shall also provide that the
17 applicant is of good moral character and that the premises for
18 which the permit is sought is authorized to sell spirits for
19 consumption on the premises by applicable zoning ordinance and
20 is of sufficient size.

21 Code section 123.92, concerning the dramshop Act, is amended
22 to provide that a class "C" native wine permittee and a class
23 "C" micro-distilled spirits permittee shall furnish proof
24 of financial responsibility by having a liability insurance
25 policy.



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Senate File 2176 - Introduced

SENATE FILE 2176
BY PETERSEN

A BILL FOR

1 An Act establishing a refugee family support services pilot
2 program and making appropriations.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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ad/rj



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1 Section 1. NEW SECTION. 256I.14 Refugee family support
2 services pilot program.

3 1. The state board shall develop, promote, and administer a
4 refugee family support services pilot program for purposes of
5 providing grants to state, local, or community organizations
6 working with refugee populations to contract with and train
7 multiple refugees to act as refugee community navigators.
8 Financial assistance under the program shall be provided from
9 moneys allocated to the school ready children grants account in
10 the early childhood Iowa fund.

11 2. A state, local, or community organization is eligible for
12 a grant if at least one school district in the organization's
13 county service area has a minority student enrollment of
14 greater than fifty percent and the service area has a large
15 number of emerging refugee populations.

16 3. The organizations awarded a grant pursuant to this
17 section shall recruit and train multiple refugee community
18 navigators to educate and provide direct assistance to their
19 respective refugee communities so the refugee communities can
20 successfully access and utilize existing community resources
21 and services.

22 4. The refugee community navigators shall train other
23 refugee community members and shall offer home-based,
24 peer-group learning sessions about resources in the community.

25 5. The grants awarded pursuant to this section shall be
26 used for employment costs of a program manager and community
27 navigator coordinator, and contract costs for multiple
28 refugee community navigators for each organization. The
29 refugee community navigators recruited and trained by an
30 organization under a grant shall receive at least one hundred
31 thousand dollars each year of the grant moneys awarded to the
32 organization.

33 6. The state board shall award four grants to state,
34 local, or community organizations through a competitive
35 application process. The state board shall provide moneys over

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1 a three-year period to the organizations awarded a grant.

2 7. A state, local, or community organization awarded a
3 grant pursuant to this section shall provide the state board
4 with annual progress reports. The state board shall present a
5 report of the program goals and outcomes of each awarded grant
6 to the general assembly.

7 8. The state board shall conduct a comprehensive review of
8 the refugee family support services pilot program and shall,
9 by December 31, 2016, submit a report of its review, as well as
10 any recommendations and cost projections of its recommendations
11 to the governor and the general assembly.

12 9. The state board may expend program moneys for
13 administrative expenses as provided by law.

14 Sec. 2. REFUGEE FAMILY SUPPORT SERVICES PILOT PROGRAM
15 APPROPRIATION. There is appropriated from the general fund
16 of the state to the department of education for the following
17 fiscal years, the following amounts, or so much thereof as is
18 necessary, to be used for the purposes designated:

19 For deposit in the school ready children grants account in
20 the early childhood Iowa fund created in section 256I.11, to be
21 used for the purposes of the refugee family support services
22 pilot program established in section 256I.14:

23 FY 2014-2015.....	\$	746,400
24 FY 2015-2016.....	\$	746,400
25 FY 2016-2017.....	\$	746,400

26 Of the moneys appropriated for each fiscal year, \$40,000
27 may be used for the early childhood Iowa state board's
28 administration costs for developing, promoting, and
29 administering the program.

30 EXPLANATION

31 The inclusion of this explanation does not constitute agreement with
32 the explanation's substance by the members of the general assembly.

33 This bill establishes a refugee family support services
34 pilot program and makes appropriations. The bill directs the
35 early childhood Iowa state board to develop and administer

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1 the refugee family support services pilot program to provide
2 grants to state, local, or community organizations working
3 with refugee populations for contracting with and training
4 multiple refugees to act as refugee community navigators.
5 An organization is eligible for a grant if at least one
6 school district within that organization's county service
7 area has a minority student enrollment of greater than 50
8 percent and the service area has a large number of emerging
9 refugee populations. The bill requires the grants to be used
10 for employment costs of a program manager and a community
11 navigator coordinator, and the contract costs of multiple
12 refugee community navigators. The bill provides that the
13 community navigators shall receive at least \$100,000 each year
14 of a grant awarded to an organization. The bill directs the
15 early childhood Iowa state board to award four grants through
16 a competitive application process and to provide funding
17 for those organizations over a three-year period. The bill
18 requires the organizations selected to provide the state board
19 with annual progress reports. The bill requires the state
20 board to present an outcomes report to the general assembly.
21 The bill appropriates \$746,400 from the general fund of the
22 state to the department of education in fiscal years 2014-2015,
23 2015-2016, and 2016-2017 for deposit in the school ready
24 children grants account in the early childhood Iowa fund to be
25 used for purposes of the program established in the bill.



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Senate File 2177 - Introduced

SENATE FILE 2177
BY QUIRMBACH

A BILL FOR

1 An Act relating to the use of construction managers for certain
2 public improvement projects.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5863XS (4) 85
je/rj



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S.F. 2177

1 Section 1. NEW SECTION. 72.6 Requirements for use of
2 construction managers.

3 1. For purposes of this section, unless the context
4 otherwise requires:

5 a. "Construction" means the same as defined in section
6 103A.3.

7 b. "Construction manager" means a person with substantial
8 discretion and authority to plan, coordinate, manage, and
9 direct all phases of a construction project, but does not mean
10 a person who provides architectural, landscape architectural,
11 or engineering design services, or who actually performs
12 construction work on the project.

13 c. "General contractor" means a person who engages in the
14 business of construction, but does not include a construction
15 manager.

16 d. "Governing body" means a city council, county board of
17 supervisors, or school district board of directors.

18 e. "Governmental entity" means a city, county, or school
19 district.

20 f. "Public improvement" means a building or construction
21 work which is constructed under the control of a governmental
22 entity and is paid for in whole or in part with funds of the
23 governmental entity, including a building or improvement
24 constructed or operated jointly with any other public or
25 private agency.

26 2. If the governing body of a governmental entity is
27 considering the use of a construction manager to administer
28 the construction of a public improvement, before the governing
29 body begins the process of selecting a construction manager for
30 the project, the governing body shall hold a public hearing
31 for the purpose of determining the relative advantages and
32 disadvantages in cost and other aspects of the project that
33 may result from using a construction manager to administer
34 the project instead of a general contractor. Notice of the
35 hearing must be published as provided in section 362.3. At

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1 the time and place fixed for the public hearing, the governing
2 body shall give all individuals who appear at the hearing an
3 opportunity to express their views on the subject at issue. If
4 the governing body decides to use a construction manager to
5 administer the project subsequent to the hearing, the governing
6 body shall publicly adopt a resolution to that effect. If
7 such a resolution is adopted, the governing body may use a
8 construction manager to administer the project. If such a
9 resolution is not adopted, the governing body shall use a
10 general contractor to administer the project.

11 EXPLANATION

12 The inclusion of this explanation does not constitute agreement with
13 the explanation's substance by the members of the general assembly.

14 This bill requires the governing body of a governmental
15 entity considering the use of a construction manager to
16 administer the construction of a public improvement to hold
17 a public hearing before beginning the process of selecting a
18 construction manager for the project.

19 The purpose of the public hearing is to determine the
20 relative advantages and disadvantages in cost and other aspects
21 of the project that may result from using a construction
22 manager to administer the project instead of a general
23 contractor. At the hearing, the governing body shall give all
24 individuals who appear at the hearing an opportunity to express
25 their views.

26 If the governing body decides to use a construction manager
27 to administer the project subsequent to the hearing, the
28 governing body shall publicly adopt a resolution to that
29 effect. If such a resolution is adopted, the governing body
30 may use a construction manager to administer the project. If
31 such a resolution is not adopted, the governing body shall use
32 a general contractor to administer the project.

33 The bill defines "governmental entity" as a city, county,
34 or school district. The bill defines "construction manager"
35 as a person with substantial discretion and authority to plan,

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1 coordinate, manage, and direct all phases of a construction
2 project, but not a person who provides architectural, landscape
3 architectural, or engineering design services, or who actually
4 performs construction work on the project. The bill defines
5 "general manager" as a person who engages in the business of
6 construction who is not a construction manager. The bill
7 defines "public improvement" as a building or construction
8 work which is constructed under the control of a governmental
9 entity and is paid for in whole or in part with funds of the
10 governmental entity, including a building or improvement
11 constructed or operated jointly with any other public or
12 private agency. The bill defines "construction" as the
13 construction, erection, reconstruction, alteration, conversion,
14 repair, equipping of buildings, structures or facilities, and
15 requirements or standards relating to or affecting materials
16 used in connection therewith, including provisions for safety
17 and sanitary conditions.



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Senate Joint Resolution 2003 - Introduced

SENATE JOINT RESOLUTION 2003
BY BOLKCOM, DVORSKY, and BLACK

SENATE JOINT RESOLUTION

1 A Joint Resolution requesting the call of a constitutional
2 convention in order to propose an amendment to the
3 Constitution of the United States to allow Congress and the
4 states to prohibit or otherwise regulate the expenditure
5 of funds for political speech by any corporation, limited
6 liability company, or other corporate entity.
7 WHEREAS, by a ruling of the United States supreme court,
8 a corporation, limited liability company, or other type of
9 corporate entity is now accorded greater rights of political
10 activity than was previously lawful; and
11 WHEREAS, those rights now allow a corporation, a limited
12 liability company, or other type of corporate entity to use
13 general treasury funds to make independent expenditures for
14 electioneering communications or for speech that expressly
15 advocates the election or defeat of a candidate for public
16 office; and
17 WHEREAS, this ruling overturns a century of legislative
18 and judicial determinations making a distinction between the
19 political free speech of natural persons and political activity
20 by corporate entities; and
21 WHEREAS, a corporate entity has far greater economic
22 resources than does a natural person and may use those
23 resources to advance political ideas; and
24 WHEREAS, restriction and regulation of corporate political
25 activity is essential to prevent domination of the political
26 process by corporate entities; NOW THEREFORE,
27 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5157XS (7) 85
aw/rj



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S.J.R. 2003

1 That pursuant to Article V of the Constitution of the United
2 States, the general assembly, as the legislature of the state
3 of Iowa, makes application to the Congress of the United States
4 to call a convention for the specific and exclusive purpose of
5 proposing an amendment to the Constitution of the United States
6 as set forth in substance in this resolution, for submission to
7 the states for ratification.

8 BE IT FURTHER RESOLVED, That if, within sixty days after the
9 legislatures of two-thirds of the states make application for
10 such convention, Congress proposes and submits to the states
11 for ratification an amendment to the Constitution of the United
12 States which empowers Congress and the states to regulate the
13 expenditure of funds for political speech by any corporation,
14 limited liability company, or other corporate entity, in a
15 manner substantially similar to the manner contained in this
16 Joint Resolution, then this application for a convention shall
17 no longer be of any force and effect.

18 BE IT FURTHER RESOLVED, That if the convention is not
19 limited to the specific and exclusive purposes of this Joint
20 Resolution, this application and request shall be null and
21 void, and shall be rescinded and of no effect.

22 BE IT FURTHER RESOLVED, That this application constitutes
23 a continuing application in accordance with Article V of the
24 Constitution of the United States, until at least two-thirds
25 of the legislatures of the several states have made application
26 for a similar convention under Article V, or the Congress has
27 proposed the amendment called for by this Joint Resolution, or
28 the general assembly acts to withdraw this application.

29 "ARTICLE

30 SECTION 1. The sovereign right of the people to govern
31 being essential to a free democracy, Congress and the states
32 may prohibit or otherwise regulate the expenditure of funds for
33 political speech by any corporation, limited liability company,
34 or other corporate entity.

35 SEC. 2. Nothing contained in this article shall be construed

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1 to abridge the freedom of the press.”; and
2 BE IT FURTHER RESOLVED, That the secretary of state
3 shall transmit certified copies of this Joint Resolution
4 to the President and Secretary of the United States
5 Senate, the Speaker and Clerk of the United States House of
6 Representatives, the presiding officer in each house of the
7 legislature in each of the states in the union, and each member
8 of the Iowa congressional delegation.

9 EXPLANATION

10 The inclusion of this explanation does not constitute agreement with
11 the explanation’s substance by the members of the general assembly.

12 This joint resolution constitutes a petition requesting the
13 United States Congress to call a constitutional convention in
14 order to propose an amendment to the Constitution of the United
15 States relating to corporate political speech and submit it to
16 the states for ratification.

17 The joint resolution also provides that it shall serve
18 as a continuing application to call a constitutional
19 convention, until at least two-thirds of the legislatures
20 of the several states have made application for a similar
21 convention or the Congress has proposed the amendment called
22 for by this joint resolution. The joint resolution requires
23 that if Congress proposes and submits to the states for
24 ratification an amendment to the Constitution of the United
25 States substantially similar to the amendment set forth in
26 this resolution within 60 days after the requisite number of
27 legislatures make application for a constitutional convention,
28 then this state’s application for a convention shall no longer
29 have any force and effect. The joint resolution provides that
30 the general assembly may withdraw this application.

31 The joint resolution provides that if the constitutional
32 convention is not limited to the specific and exclusive
33 purposes of the resolution, that the application and request
34 shall be null and void, and shall be rescinded and of no
35 effect.

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S.J.R. 2003

1 The proposed amendment to the Constitution of the United
2 States contained in the joint resolution would specifically
3 allow Congress and the states to prohibit or regulate the
4 expenditure of funds for political speech by any corporation,
5 limited liability company, or other corporate entity.

6 The joint resolution requires the Secretary of State to
7 transmit certified copies of this resolution to the President
8 and Secretary of the United States Senate, the Speaker and
9 Clerk of the United States House of Representatives, the
10 presiding officer in each house of the legislature in each
11 of the states in the union, and to each member of the Iowa
12 congressional delegation.



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Senate Study Bill 3173 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON McCOY)

A BILL FOR

1 An Act exempting internet protocol-enabled service and voice
2 over internet protocol service from specified regulatory
3 authority.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5438XC (1) 85
rn/nh



Iowa General Assembly
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S.F. _____

1 Section 1. NEW SECTION. 476.30 Internet protocol-enabled
2 service and voice over internet protocol service — regulation.

3 1. Notwithstanding any other provision to the contrary,
4 a department, agency, board, or political subdivision of the
5 state shall not by rule, order, or other means directly or
6 indirectly regulate the entry, rates, terms, or conditions
7 for internet protocol-enabled service or voice over internet
8 protocol service.

9 2. For the purposes of this section:

10 a. “Internet protocol-enabled service” means any service,
11 capability, functionality, or application that uses internet
12 protocol or any successor protocol and enables an end user to
13 send or receive voice, data, or video communication in internet
14 protocol format or a successor format.

15 b. “Political subdivision” means the same as defined in
16 section 145A.2.

17 c. “Voice over internet protocol service” means an internet
18 protocol-enabled service that facilitates real-time, two-way
19 voice communication that originates from, or terminates at, a
20 user’s location and permits the user to receive a call that
21 originates from the public switched telephone network and to
22 terminate a call on the public switched telephone network.

23 “Voice over internet protocol service” does not include a
24 service that uses ordinary customer premises equipment with no
25 enhanced functionality that originates from and terminates on
26 the public switched telephone network, undergoes no internet
27 protocol conversion, and provides no enhanced functionality
28 to end users due to the provider’s use of internet protocol
29 technology.

30 3. This section shall not be construed to modify or affect
31 the following:

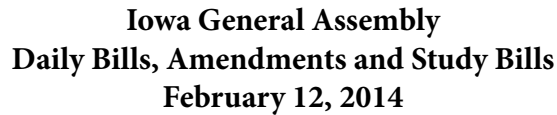
32 a. The application or enforcement of a law or rule that
33 may apply generally to the conduct of business in this state,
34 including but not limited to consumer protection and unfair or
35 deceptive trade practice laws or rules.

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1 b. The board's authority under 47 U.S.C. §§251 and 252.
2 c. Surcharges for enhanced 911 services pursuant to chapter
3 34A or assessments for dual party relay service pursuant to
4 chapter 477C.

6 The inclusion of this explanation does not constitute agreement with
7 the explanation's substance by the members of the general assembly.

14 The bill defines "internet protocol-enabled service" to mean
15 any service, capability, functionality, or application that
16 uses internet protocol or any successor protocol and enables an
17 end user to send or receive voice, data, or video communication
18 in internet protocol format or a successor format. The bill
19 defines "voice over internet protocol service" to mean an
20 internet protocol-enabled service that facilitates real-time,
21 two-way voice communication that originates from, or terminates
22 at, a user's location and permits the user to receive a call
23 that originates from the public switched telephone network and
24 to terminate a call on the public switched telephone network.
25 The bill provides that "voice over internet protocol service"
26 does not include a service that uses ordinary customer premises
27 equipment with no enhanced functionality that originates from
28 and terminates on the public switched telephone network,
29 undergoes no internet protocol conversion, and provides no
30 enhanced functionality to end users due to the provider's
31 use of internet protocol technology. The bill references a
32 definition of "political subdivision" contained in Code section
33 145A.2 as meaning any county, township, school district, or
34 city.

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1 exemption from regulation shall not be construed to modify or
2 affect the application or enforcement of a law or rule that may
3 apply generally to the conduct of business in Iowa, including
4 but not limited to consumer protection and unfair or deceptive
5 trade practice laws or rules; to the Iowa board's authority
6 under federal law relating to telecommunications carrier
7 interconnection agreements and procedures; or to surcharges
8 for enhanced 911 services pursuant to Code chapter 34A or
9 assessments for dual party relay service pursuant to Code
10 chapter 477C.



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Senate Study Bill 3174 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON DANIELSON)

A BILL FOR

1 An Act concerning government accountability and concerning
2 service contract requirements.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

TLSB 5353XC (3) 85
ec/rj



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1 Section 1. Section 8.47, subsection 1, unnumbered paragraph
2 1, Code 2014, is amended to read as follows:

3 The department of administrative services, in cooperation
4 with the office of attorney general and the department of
5 management, shall adopt uniform terms and conditions for
6 service contracts executed by a department or establishment
7 benefiting from service contracts which terms and conditions
8 shall be consistent with the contractual requirements of
9 chapter 8F. The terms and conditions shall include but are not
10 limited to all of the following:

11 Sec. 2. Section 8F.3, subsection 3, Code 2014, is amended
12 to read as follows:

13 3. Prior to entering into a service contract with a
14 recipient entity, the oversight agency shall ~~determine~~ do all
15 of the following:

16 a. Determine whether the recipient entity can reasonably
17 be expected to comply with the requirements of the service
18 contract. If the oversight entity is unable to determine
19 whether the recipient entity can reasonably be expected
20 to comply with the requirements of the service contract,
21 the oversight entity shall request such information from
22 the recipient entity as described in subsection 1 to make
23 a determination. If the oversight agency determines from
24 the information provided that the recipient entity cannot
25 reasonably be expected to comply with the requirements of the
26 service contract, the oversight agency shall not enter into the
27 service contract.

28 b. Perform a cost comparison establishing whether the
29 contract costs from the proposed service contract are less
30 than the costs of having the services provided by an agency.
31 Contract costs shall include direct costs, including salaries
32 and fringe benefits, indirect overhead costs, including the
33 contractor's proportional share of existing administrative
34 salaries and benefits, rent and equipment costs, utilities,
35 and materials. Additionally, transition costs, including

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1 unemployment compensation, shall be included in the analysis of
2 contract costs. If the oversight agency determines from the
3 information provided that the contract costs of the recipient
4 entity are not less than the costs of having the services
5 provided by an agency, the oversight agency shall not enter
6 into the service contract.

7 c. If the proposed service contract may result in reduced
8 public employment by an agency in an area, perform an
9 economic impact analysis to consider the impact of the service
10 contract on the possible loss of employment or income in the
11 affected area, impact on social services to include public
12 assistance programs, economic impact on local businesses, any
13 possible changes in tax revenue for the affected area, and
14 any environmental impacts that may result from the service
15 contract.

16 Sec. 3. Section 8F.3, Code 2014, is amended by adding the
17 following new subsection:

18 NEW SUBSECTION. 4. A service contract with a recipient
19 entity shall include the following terms and conditions:

20 a. Specific performance criteria and cost parameters with
21 termination provisions for failure to meet the performance
22 criteria and cost parameters.

23 b. A requirement that the compensation paid to employees
24 of a recipient entity pursuant to the service contract shall
25 be comparable to the compensation paid to public employees
26 performing similar work or the average private sector wage for
27 similar work, whichever is less.

28 c. A provision prohibiting the automatic renewal of
29 the terms of a service contract without complying with the
30 requirements of this section prior to renewing the service
31 contract.

32 d. A provision prohibiting the payment for services under
33 the service contract regardless of whether the services are
34 actually provided.

35 Sec. 4. Section 8F.4, Code 2014, is amended by adding the

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1 following new subsection:

2 NEW SUBSECTION. 4. An oversight agency shall make
3 information described in section 8F.3, subsection 3, paragraphs
4 "b" and "c", and information required to be reported by a
5 recipient agency pursuant to this section available to the
6 public.

7 Sec. 5. Section 8G.3, subsection 3, paragraph a, Code 2014,
8 is amended by adding the following new subparagraph:

9 NEW SUBPARAGRAPH. (10) A recipient entity as defined in
10 section 8F.2.

11 Sec. 6. Section 8G.4, subsection 2, Code 2014, is amended by
12 adding the following new paragraph:

13 NEW PARAGRAPH. *0j.* Information required to be provided
14 pursuant to chapter 8F.

15 EXPLANATION

16 The inclusion of this explanation does not constitute agreement with
17 the explanation's substance by the members of the general assembly.

18 This bill concerns service contracts entered into by a
19 government entity.

20 Code section 8.47, concerning service contracts entered into
21 by a state executive branch department, is amended to provide
22 that the standard terms and conditions of a service contract
23 shall be consistent with the contractual requirements of Code
24 chapter 8F.

25 Code chapter 8F, establishing accountability requirements
26 for certain service contracts, is amended. "Service contract"
27 is defined by the Code chapter as a contract between a
28 government entity, called an oversight agency, and a private
29 or other intergovernmental entity, called a recipient entity,
30 where federal or state moneys are involved for a service or
31 services when the predominant factor, thrust, and purpose of
32 the contract as reasonably stated is for the provision of
33 services.

34 Code section 8F.3, subsection 3, concerning contractual
35 requirements for service contracts, is amended to require an

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1 oversight agency to perform a cost comparison and an economic
2 impact analysis prior to entering into a service contract.
3 The cost comparison requires a determination that a service
4 contract will result in lower contract costs than having the
5 services provided by state government. The economic impact
6 analysis concerns a determination of the impact on employment,
7 economic activity, and public assistance if public employment
8 in a particular area are reduced pursuant to a service
9 contract.

10 Code section 8F.3 is further amended to require a service
11 contract to include performance criteria, provisions governing
12 compensation paid to employees of a recipient entity,
13 provisions prohibiting automatic renewal of a service contract,
14 and provisions prohibiting payment regardless of whether the
15 services are actually provided.

16 Code section 8F.4, concerning reporting requirements,
17 is amended to require an oversight agency to make certain
18 information described in Code section 8F.3, subsection 3, and
19 information required to be reported by a recipient agency
20 pursuant to this Code section available to the public.

21 Code chapter 8G, establishing the taxpayer transparency
22 Act, is amended to specifically include recipient entities,
23 as defined in Code chapter 8F, within the definition of
24 "entity" for purposes of the Code chapter. Code section
25 8G.4, concerning the creation of a searchable budget database
26 internet site, is amended to require that information required
27 to be provided pursuant to Code chapter 8F be included on the
28 site.